

**7/11/77 [1]**

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 7/11/77  
[1]; Container 30

To See Complete Finding Aid:

<http://www.jimmycarterlibrary.gov/library/findingaids/Staff%20Secretary.pdf>

# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Brown to The President (2 pp.) re: Activities of SecDef, Week of July 2-8, 1977/ enclosed in Hutcheson to Mondale etal. 7/11/77 <i>Open (11/18/13)</i>	7/8/77	A
memo	From Blumenthal to The President (3 pp.) re: activities of Sec. of the Treasury, Week of July 2-8, 1977/ enclosed in Hutcheson to Mondale etal. 7/11/77	7/8/77	A
telegram	From FBI Field Office, Detroit to Director (10 pp.)	4/19/71	A
memo w/ attach.	From Brzezinski to Jordan (6 pp.) re: Appointments to the Board for International Broadcasting/ enclosed in Hutcheson to Jordan 7/11/77 <i>1 page opened 1/29/13</i>	6/17/77	A
memo	<del>From Vance to The President (4 pp.) re: Presidential participation in 32nd U.N. General Assembly/ enclosed in Hutcheson to Brzezinski</del> <i>opened 1/29/13</i>	6/17/77	A

## FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 7/11/77 [1] Box 39

## RESTRICTION CODES

- A) Closed by Executive Order 12356 governing access to national security information.
- B) Closed by statute or by the agency which originated the document.
- C) Closed in accordance with restrictions contained in the donor's deed of gift.



THE PRESIDENT'S SCHEDULE

Monday - July 11, 1977

---

7:45 Dr. Zbigniew Brzezinski - The Oval Office.

8:15 Mr. Frank Moore - The Oval Office.

8:30 Senior Staff Meeting - The Roosevelt Room.

9:00 Meeting of the Cabinet. (Mr. Jack Watson).  
(2 hrs.) The Cabinet Room.

11:00 Mr. Jody Powell - The Oval Office.

11:45 Mr. Larry B. Sheafe. (Mr. Richard E. Keiser).  
(5 min.) The Oval Office.

12:00 Lunch with Vice President Walter F. Mondale.  
The Oval Office.

1:00 Honorable Paul Warnke. (Dr. Zbigniew Brzezinski).  
(15 min.) The Oval Office.

1:30 Medal of Freedom Awards Presentation.  
(Mr. Greg Schneiders) - The Rose Garden.

2:00 Meeting/EOP Reorganization. (Mr. James T. McIntyre, Jr.)  
(30 min.) The Cabinet Room.

7:00 Dinner with Senator and Mrs. Ernest F. Hollings  
and Senator and Mrs. Dale Bumpers - The Residence.

~~CONFIDENTIAL~~

THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

cc Brown  
J

8 July 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary of Defense  
(Week of July 2-8, 1977)

Termination of Minuteman III Production: On July 6 I announced the decision to close the Minuteman III production line and end production of additional MM III guidance sets. Thus far the press reports for the most part have refrained from linking the Minuteman III and B-1 decisions or portraying them as a diminution of United States resolve to retain essential equivalence with the Soviet Union. Even Paul Nitze's "Committee on the Present Danger" looks ahead to other strategic options, suggesting that the M-X "may well be the next important issue" in strategic arms planning. With Congress in recess, interest in the B-1 and Minuteman III decisions has been reduced. When the budget amendment and rescission are sent to the Congress next week, we can expect further hearings and renewed debate. Because the cruise missile, on B-52 and perhaps on Cruise Missile Carrier, is a better choice than the B-1, I think we have (and can) make our case well. However, we need to continue showing we are not unilateral disarmers. I will try to structure the budget amendment accordingly.

Meeting with the JCS: Once the budget amendment has been sent to the Congress, I recommend that you follow through on your suggestion of a meeting shortly thereafter with the Joint Chiefs of Staff. A working lunch would be good for this purpose. The Chiefs would benefit greatly from your personal views and guidance on such subjects as PRM-10, Korea, strategic forces and SALT. If you concur, I shall develop suggested talking points for the meeting and schedule it through Tim Kraft. *ok*

Unionization: Senator Stennis will resume hearings next week on legislation to bar union activity by armed forces personnel. He has asked for a cross-section of military service representatives and has indicated he will concentrate on their individual perceptions of the impact unionization would have on military effectiveness. My position has been and is that unions cannot be permitted in the armed forces; however, the preferable way to handle the issue is by directive rather than by a statute. I plan in the near future to issue such a directive. That action, however, may not satisfy those who are pressing for a legislative solution. Labor leaders whom I have sounded out can support a directive, but probably not legislation which might be seen as hostile to unions generally.

DOD Consultants: Charles Duncan, in a July 6 letter to Bert Lance, has responded to your request that all government agencies review their use of consulting services, eliminating those arrangements found to be inappropriate or unnecessary. While Charles and I believe use of consultants by DOD has been reasonably well managed, we have provided Bert with details of target

Classified by Sec Def

SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF  
EXECUTIVE ORDER 11652. AUTOMATICALLY DECLASSIFIED  
AT TWO YEAR INTERVALS. DECLASSIFIED ON 11/18/94

~~CONFIDENTIAL~~

Sec Def Cont Nr. X- 2008

Electrostatic Copy Made  
for Preservation Purposes

# CONFIDENTIAL

reductions of 25% of all DOD consultants by September 30 and a follow-on goal of an additional 10% to 20% cut during the next fiscal year.

Enhanced Radiation Warhead: I am sending Dave Aaron an interim paper which discusses the "neutron bomb," emphasizing facts about the weapon's characteristics, rationale for its development, and our judgment that it is not a totally new kind of weapon, but a more effective one for some uses. The paper may be useful in dispelling emotional misperceptions already generated. Some members of Congress, citing the B-1 vote, have expressed concern about supporting the enhanced radiation warhead program without being assured that you ultimately will decide to proceed. This argues for setting forth a clear Administration position relatively soon.

Air Force Reaction to B-1 Decision: Air Force Secretary John Stetson advises Charles Duncan that the uniformed Air Force leadership is reacting professionally and with intellectual honesty to your decisions. General Russ Dougherty, Commander of SAC, reports to me that the Strategic Air Command is entering the post B-1 era enthusiastically dedicated to forging an effective B-52/cruise missile component of the US strategic force. This kind of professional response is encouraging, and is another item you might touch on in a meeting with the Chiefs.

MIA Status Reviews: I shall be sending you next week a detailed plan for the reinstitution of status reviews. These recommendations stem from inter-agency discussions and envision case-by-case reviews by the Secretaries of the Military Departments beginning with persons who have been in MIA status longest. A draft announcement accompanying the plan emphasizes that the decision to resume reviews in no way alters the US Government's determination to obtain the most complete accounting possible. OK

Consultation with Senators on Foreign Policy Matters: Charles Duncan and I shall be working with Ham Jordan, Landon Butler and others in systematically meeting with Senators to explain your position on major foreign policy issues, such as Panama, which will be before the Senate in the next six to twelve months.

Civil Service Review of Political Appointments: I note that in response to my memorandum of April 15 to you Bob Lipshutz has asked Scotty Campbell to issue a regulation permitting department heads to certify the qualifications of appointees to non-career jobs. Although I believe an executive order of the kind I proposed would have been a simpler method of dealing with the situation, the other solution can work if -- and only if -- there is prompt implementation of Bob's letter. Trying to obtain a correction to this situation has been frustrating, with little discernible progress for three months. At the present time I have several appointments to deputy assistant secretary level jobs languishing at the Commission awaiting the Commission's ruling on whether the people I have selected are fit to hold policy-making jobs in DOD. Charles Duncan will be discussing this with Campbell. Keep me informed

*Harold Brown*



THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Hamilton Jordan -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Board for International  
Broadcasting

14



Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

July 7, 1977

*Ham -  
See me  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ* THE PRESIDENT HAS SEEN.

SUBJECT: BOARD FOR INTERNATIONAL BROADCASTING

You recently appointed John Gronouski Chairman of the Board for International Broadcasting, which oversees the operation of Radio Free Europe and Radio Liberty. The Board has four other seats, two of which are vacant. One may go to a Democrat and the other can be Republican or Independent. The law requires this representation.

Zbig's recommendations are Dr. William E. Griffith (Dem.) and Mrs. Rita Hauser (Rep.). Zbig has a letter from Gronouski which indicates he would attest to their competence and suitability for BIB, but it does not make it clear that they were his original choices. (TAB A).

William Griffith's name was surfaced early in the game when we were considering Gronouski vs. Stanton for Chairman. Vance favored Stanton. Griffith has good credentials and a long time association with international broadcasting, but allegations have been made of connections with the CIA funding of Radio Free Europe. These allegations from, principally, McGovern and Percy, were in stories in the N.Y. Times and Washington Post, and more can be expected if nominate him. (TAB B)

As an alternate for your consideration, we have strong recommendation for Frank Markoe (also spelled Marko) Vice Chairman of Warner-Lambert Co. of New Jersey, from Senators Williams, Humphrey, Pell and Moynihan. Humphrey is particularly strong on Markoe, and we have been told he discussed this recently with you at lunch. I believe Markoe has good credentials which would qualify him for the post, and he would not raise the controversy that the Griffith nomination would (TAB C).

Other independents and Republicans who are possibilities are former Senator Charles Goddell and former Gov. of Oregon, Tom McCall. We will obtain more information on them if you do not decide on Rita Hauser.

You may wish to discuss this further with Zbig before making any decision. My inclination would be to go for Markoe for the Democrat and either accept Rita Hauser for the Republican or direct Zbig to find other candidates for the Republican-Independent spot. Secretary Vance's office has been consulted, and has indicated the Secretary does not wish to make any recommendations on the two remaining IBB seats.

Attachments



MEMORANDUM FOR: THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Appointment of New Chairman of  
Board for International Broadcasting

Appointment of a new Chairman of the Board of International Broadcasting (BIB - the RFE/RL sponsoring organization) should take place as soon as possible to forestall possible controversy over this organization. The outgoing Chairman, David Abshire, and certain other Board and Staff members are maneuvering to control new appointments and are drawing Senators Percy and McGovern into arguments with the Administration over who should serve on the Board and how it should operate. This has resulted over the weekend in distorted stories (Tab A) in both the New York Times and Washington Post attacking Professor William Griffith of MIT, whom I have suggested be appointed a Board Member. The newspaper stories do not mention our choice as Chairman, John Gronouski, but advocate appointment of Frank Stanton as Chairman.

Stanton is the author of an extremely controversial set of proposals for changes in U.S. Government information programs. Making him Chairman of the BIB would be, in effect, to endorse his program. The ultimate effect of this program would be to take international broadcasting out of the control of the Administration.

To nip this controversy in the bud, I recommend that you announce as soon as possible the appointment of Gronouski. It will be difficult for anyone to make a case against him. He is a natural choice as a prominent Democrat and a man with previous experience (Ambassador to Poland, e.g.) which fits him for the BIB job. I am confident that he will work with the Administration to get the BIB restructured in an intelligent way. Once he has been appointed we can proceed to the two other vacancies for which I recommend Professor Griffith and former Congressman Peter Frelinghuysen of New Jersey.

Attachment  
Tab A

CONFIDENTIAL

DECLASSIFIED  
Per: Rac Project  
ESDN: NLC-126-8-17-2-  
BY: 1-5 NARA DATE: 1/29/13



SUMMARY

Although it is confined to rather limited circles, this decision will be watched closely. Your decisions are:

1. Accept Zbig's recommendations of Griffith and Hauser, recognizing the allegations concerning Griffith.

Approve \_\_\_\_\_ Griffith      Approve \_\_\_\_\_ Hauser

2. Accept Markoe, who has good credentials, would make Humphrey et al happy, and would not raise any controversy.

Approve \_\_\_\_\_ Markoe

3. Request that other names for both Democrat and Republican-Independent be provided to you (recognizing that an extensive search has already been conducted.)

Request more names:      Democrat \_\_\_\_\_

Republican/Independent \_\_\_\_\_





# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Brown to The President (2 pp.) re: Activities of SecDef, Week of July 2-8, 1977/ enclosed in Hutcheson to Mondale etal. 7/11/77	7/8/77	A
memo	From Blumenthal to The President (3 pp.) re: activities of Sec. of the Treasury, Week of July 2-8, 1977/ enclosed in Hutcheson to Mondale etal. 7/11/77	7/8/77	A
telegram	From FBI Field Office, Detroit to Director (10 pp.) re: League of Revolutionary Black Workers	4/19/71	A
memo w/ attach.	From Brzezinski to Jordan (6 pp.) re: Appointments to the Board for International Broadcasting/ enclosed in Hutcheson to Jordan 7/11/77	6/17/77	A

## FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File 7/11/77 [1] Box 39

## RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

Backg  
Griff  
et



# 2 Senators Oppose Proposed Broadcasting Unit Nominee

By Richard M. Weintraub  
Washington Post Staff Writer

A proposed nomination to one of the government's smallest agencies, the Board for International Broadcasting, has aroused the ire of two key senators who would have to pass on the nomination and has raised questions about the role of President Carter's national security affairs adviser, Zbigniew Brzezinski.

The White House confirmed yesterday that Massachusetts Institute of Technology Prof. William E. Griffith is one of three persons proposed by Brzezinski for consideration for three board positions. The other two names were not revealed.

Griffith was intimately involved with the operation of Radio Free Europe in the early 1950s, when the radio was a covert operation of the Central Intelligence Agency. The Board for International Broadcasting was created as an oversight agency in 1973.

after then-Sen. J. W. Fulbright (D-Ark.) revealed the CIA role in the operation of RFE and its companion, Radio Liberty.

Griffith left RFE in 1953 after a storm of controversy over its broadcasts to Hungary during the 1956 uprising there. He was chief political adviser to RFE at the time of the revolt, when the radio's broadcasts have been interpreted as encouraging the Hungarians to oppose Soviet forces.

Radio Free Europe broadcasts to five Eastern European countries and Radio Liberty to the Soviet Union.

One board position opened last month when chairman David M. Abshire wrote a letter of resignation to the President effective March 8. Two other board seats will open this spring. All appointments to the board are subject to Senate approval.

According to sources who have fol-

lowed the selection process, Brzezinski has kept the matter under tight control and did not seek the opinions of others who might be involved, including senators who would have to pass on the nomination.

When (S.D.) George McGovern (D-D.) and Charles H. Percy (R-Ill.) found out that a list of names was being drawn up they sent a letter to the White House. The two are chairman and ranking minority member, respectively, of the Foreign Relations Subcommittee on International Operations, which has responsibility for the board.

McGovern and Percy recommended former CBS President Frank Stanton for chairman, but, according to well-informed sources, cast their arguments in terms designed to block Griffith's selection.

In their letter, they pointed out that Stanton's "record is free of any affilia-

tion either with the radios' previous sponsorship or with the aggressive attitudes and purposes which are generally associated with that sponsorship."

"It is most important that the board be led by a man whose reputation is one of dedication to communication and not to Cold War," they said, according to a copy of the letter.

Radio Free Europe and Radio Liberty are consistently jammed electronically and subject to constant criticism by the Soviets, in particular, as being throwbacks to Cold War days.

McGovern and Percy referred to this when they said in their letter that "the radios' transformation into a solid journalistic enterprise has not been completely matched by a change in reputation."

Griffith, like Brzezinski, is one of a small fraternity of academic specialists on the Soviet Union and Eastern Europe. He shares with Brzezinski the

reputation among some observers of having been a hard-liner toward the Soviets, especially before detente.

The MIT professor responded to this characterization yesterday by saying in a telephone interview that "it is not true that I am opposed to detente. I am a proponent of detente," adding that he had pushed the idea before it became popular.

Griffith said that he has "no doubt that mistakes were made" in RFE's broadcasts during the Hungarian revolt, but that "it is an enormous exaggeration of the effect of any radio" to say that the broadcasts played a role of any significance. He said that a West German government probe had found no fault in the radio's broadcasts. RFE is based in Munich.

Griffith said he left RFE voluntarily to return to teaching and was under no pressure to leave.

A key Senate aide indicated last

week that Griffith's nomination for a board position would likely lead to a Senate fight because his association with RFE while it was under the CIA would be a lightning rod for criticism from the Soviets, especially in the days leading up to the Belgrade review of the 1975 Helsinki accord designed to guarantee the freer flow in information.

Stanton has figured prominently in another Washington debate over international broadcasting, that on the future of the Voice of America. The former CBS president was head of a panel that recommended that VOA be split from the U.S. Information Agency and given independent status as a way to ensure its journalistic freedom. The panel recommended, however, that VOA not be linked with Radio Free Europe and Radio Liberty.

Washington Post staff writer Austin Scott contributed to this story.

Ma



HAROLD M. MARKO

Executive Vice President, Warner-Lambert Company,  
Morris Plains, New Jersey.

Born: Detroit, Michigan October 29, 1925

Married: 2 children

Education: Washington and Lee U., 1947, A.B.  
University of Maryland, 1950, LL.B.

Employment: Admitted to Maryland and New Jersey Bars.  
1948-50, practiced law with Karl Steinmann Firm, Baltimore  
1950-53, Partner Cable & McDaniel, Baltimore  
1954-55, General Counsel, Director, Emerson Drug Co.  
Baltimore  
1955 -56, Administrative Vice President, Warner-Lambert  
1957 -58, Executive Committee, Senior Vice President,  
Warner Lambert  
1958 - Executive Vice President, , Warner-Lambert Co.  
Morris Plains, N. J.

Memberships: Trustee Morristown Memorial Hospital, N.J.  
Morris County Society for Crippled Children and Adults  
Board of Directors, Kipps Bays Boys, N. J.

Military Service: U.S.Air Force 1942-45

Party Affiliation: Democrat

Congressional recommendations and support: Senators Humphrey,  
Williams, Pell, Moynihan

(Note: Discussed personally with the President by Senator  
Humphrey at luncheon )

June 10, 1977

FM 4A  
13 JUN 1977

The Honorable Jimmy Carter  
The White House  
Washington, D. C.

Dear Mr. President:

Senator Humphrey has informed me that he had the opportunity to discuss with you my recommendation of Frank Markoe for the Board for International Broadcasting.

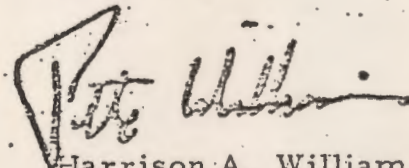
My earlier letter detailed Mr. Markoe's most substantial background and accomplishments so I will not impose upon your time by repeating that information.

However, I would most strongly like to reiterate my unstinting support and endorsement of Mr. Markoe. I feel that he is a person with truly superb qualifications. While the expression sometimes is abused, this is one instance where I am deeply grateful that a person of this caliber has made himself available for such an appointment.

Mr. President, I appreciate the graciousness of your conversation with Senator Humphrey and your consideration of this appointment. I can give you my total assurance that Mr. Markoe would reflect great credit upon your Administration in the performance of his duties.

With warmest regards,

Sincerely,



Harrison A. Williams, Jr.

HAW:wrjy



## United States Senate

WASHINGTON, D.C. 20510

May 17th, 1977

Dear Mr. President:

As you consider whom you will nominate to fill the vacancies on the Board for International Broadcasting (BIB), I urge you to give serious thought to Frank Markoe, Jr.

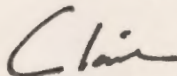
Frank is currently Vice Chairman of the Board of the Warner-Lambert Company and has been heavily involved in the communications and international activities of that firm. As you will note in the enclosed resume, Frank has a solid and extensive background in management and corporate organization which could be put to excellent use with the BIB. In particular, his interest and experience in dealing with technical and strategic communications questions would be especially valuable.

I have known Frank for many years and can assure you that he would bring great energy, intellect, and imagination to the Board. I know that he would merit your full confidence and trust in overseeing the activities of Radio Free Europe and Radio Liberty.

In the event that an appointment to the BIB is not possible, Frank is also interested in the Overseas Private Investment Corporation, COMSAT, and the Advisory Committee on Transnational Enterprises.

With every good wish.

Ever sincerely,



Claiborne Pell

The President  
The White House  
Washington, D. C.

*Confidential*

THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Z. Brzezinski -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Tim Kraft

Re: Visit to the UN

DECLASSIFIED  
Per: Rac Project  
ESDN: NLG-126-8-17-4-1  
BY KS NARA DATE 1/29/12



## THE WHITE HOUSE

WASHINGTON

ACTION

July 8, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI *ZB*  
SUBJECT: Visit to the UN

Attached at Tab A is State's proposal for a two-day visit by you to the UN on October 3 and 4. I am doubtful about the value of a repeat visit, and in any case one day should be enough. Moreover:

- Great care must be taken to avoid advertising your planned trip ahead of time, or else a flood of Heads of State will also plan to be there, causing numerous problems of who you do and don't see.

AGREE \_\_\_\_\_ DISAGREE \_\_\_\_\_

- A speech is a good idea, but should focus on a single theme -- perhaps North-South relations -- and not be a general laundry list.

AGREE \_\_\_\_\_ DISAGREE \_\_\_\_\_

- The schedule includes proposed meetings with Asian, African, Latin American and European foreign ministers, but not with Arab and Israeli representatives. This could cause serious diplomatic problems.

AGREE \_\_\_\_\_ DISAGREE \_\_\_\_\_

- The decision on whether or not to see Gromyko should be made later -- when we have a better idea of what the state of US-Soviet relations will be at the time.

AGREE \_\_\_\_\_ DISAGREE \_\_\_\_\_

Your schedulers feel that a one-day rather than a two-day visit would be more appropriate, and that it should be moved ahead one week to September 26, 27. If you decide on a one-day visit, State suggests: a ceremonial morning, a speech in the late morning, a large lunch with virtually everyone invited, and 4-6 bilaterals in the afternoon.

DECISION:

One-day visit \_\_\_\_\_ Two-day visit ☒ \_\_\_\_\_ None \_\_\_\_\_

*Tentative only J*

THE SECRETARY OF STATE  
WASHINGTON

S/S 7715302  
3869

June 17, 1977

CONFIDENTIAL

MEMORANDUM FOR: THE PRESIDENT  
From: Cyrus R. Vance *CRV*  
Subject: Your Participation in the 32nd  
United Nations General Assembly

We have been working with Andy Young on a plan for your participation in the next General Assembly, which convenes on September 20. We have sought to develop a schedule which would allow you to meet with the various world leaders -- and particularly those from the Third World -- who will be coming to the Assembly. Andy joins in the recommendation which follows:

Past Presidents, at some point early in their Administration, have delivered major statements during the period of the General Assembly's general debate. They have seldom, if ever, spent any additional time in New York for bilateral meetings or other UN-related events.

Past practice, however, should in no way inhibit you from establishing a different pattern of participation. While we do not yet have any information on which heads of government and foreign ministers will be attending, your decision on participation will strongly influence the practice of others.

CONFIDENTIAL  
GDS

DECLASSIFIED  
Per: Rac Project  
ESDN: NLC-26-8-17-4  
BY 123 NARA DATE 1/29/12



CONFIDENTIAL

- 2 -

Accordingly, I recommend a two-day visit to New York, from the morning of October 3 to the evening of October 4, which would include the following events:

-- A speech to the General Assembly on October 3. The General Assembly will consider a series of important issues of major consequence to the United States -- for example, North/South economic issues, the Middle East, southern Africa, a Special Session on Disarmament, and a nuclear test ban -- which will merit presentation of U.S. policies at the Presidential level to an audience at the foreign minister level. Should you wish to focus on one or two areas in depth, I could address other issues in our regular General Debate speech.

-- Signing of the Human Rights Covenants. In the event that you should want to personally sign the Human Rights Covenants, it would have to be done in New York because the documents are not permitted to leave the UN Secretariat. Your presence at a signature ceremony for the Covenants could be the second highlight of your trip. This would put the signing after the main part of our summer campaign on the Genocide Convention and simultaneous with the opening of the Belgrade CSCE permitting you to emphasize in that context as well as in the UN context your continuing dedication to human rights.

-- Bilateral discussions with world leaders. Normally, a half dozen or more Third World heads of state or government come to the General Assembly each year. More might come from the Third World (although not necessarily the ones you might most wish to meet) and from some of our Allies, if it were known that you planned not only to address the General Assembly but to stay an extra day in New York. Meeting with them in New York or Washington (depending on timing) would provide you with an opportunity to develop a personal relationship with Third World leaders without extensive travel.

CONFIDENTIAL

~~CONFIDENTIAL~~

- 3 -

-- Meetings with representatives of key regional groups. Working lunches and receptions could be organized focussing on major Third World groups -- Africa, Asia, and Latin America.

I have attached a sample schedule for a two-day visit to illustrate how your time might be spent.

If, instead, you would prefer to be in New York for only one day, I will make recommendations to you for an alternative schedule.

Attachment:

Suggested Schedule.

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

SUGGESTED SCHEDULE

October 3

- 9:30 - Arrival in New York
- 10:00 - 10:20 - Call on Secretary General Waldheim
- 10:25 - 10:45 - Call on General Assembly President  
(Probably Mosjob of Yugoslavia)
- 10:45 - 11:30 - Speech to General Assembly
- 12:00 - 12:30 - Meet with U.S. Delegation
- 1:00 - 2:45 - Working lunch with LA/Caribbean  
Ambassadors
- 3:00 - - Meeting with LOS President Amerasinghe
- 4:00 - 6:30 - Bilateral meetings with heads of state  
or government
- 8:00 - - Dinner given by Andy Young for Western  
and Eastern European Ambassadors

October 4

- 9:00 - 10:15 - Bilateral Meetings
- 10:30 - - Signing of Human Rights Covenants
- 11:00 - 12:45 - Bilateral discussions (perhaps with  
Foreign Minister Gromyko)
- 1:00 - 3:00 - Working lunch with African Ambassadors
- 3:00 - 5:00 - Possible additional bilaterals  
(perhaps with Indians)
- 6:00 - - Working reception for Asian Ambassadors
- 8:00 - - Departure for Washington

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

July 11, 1977

EYES ONLY

The Vice President  
Midge Costanza  
Stu Eizenstat  
Hamilton Jordan  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson

Re: Cabinet Summaries

The attached were returned in the President's  
outbox and are forwarded to you for your  
personal information.

Rick Hutcheson

Attachments:

From Agriculture, GSA, Interior,  
Labor, Transportation, HEW,  
Commerce, Defense, CEQ(2),  
CEA, HUD, Treasury, STR,  
United Nations.

*cc Landon Butler*



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

C  
✓

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson *Jack*  
Jane Frank

July 8, 1977

RE:

Summaries for Week of July 4-8, 1977;  
Miscellaneous Items

We are forwarding summaries received from the following:

Agriculture	Labor
CEA	Transportation
Defense	Treasury
GSA	STR
HEW	UN
HUD	Justice (no news to
Interior	report)

CEQ

We are also transmitting memoranda from:

-- Cecil Andrus, pursuant to your request, itemizing unspent funds in the National Park Service account for the White House swimming pool;

-- Joe Califano, correcting a statement you have made about creation of the Department of Transportation.

We have not transmitted memoranda from:

-- Doug Costle, informing you that he will be in the Soviet Union from July 9-17, as U.S. Chairman for the Mid-year Review of the US/USSR Environmental Agreement;

-- Pat Harris, stating that HUD, in concert with GSA, has a program to segregate all waste paper from other trash and to sell it to salvage companies which recycle it. She points out that this practice comports with the policy in your May 23 environmental message.

Electrostatic Copy Made  
for Preservation Purposes

-- Sidney Harman, stating that he resolved the Boardman School Local Public Works Program issue which Congressman Carney raised with you.

On Wednesday, I convened a meeting of representatives of State, HEW, NSC, AID, OMB, the Domestic Policy Staff and Peter Bourne to discuss ways in which we can better coordinate formulation of major Administration initiatives in the area of international health. Although there are still some problems to be worked out, there was general agreement concerning formulation of a coordinating committee consisting of the sixteen agencies (domestic and international in scope) that have some responsibility in the international health field. Peter Bourne will coordinate the work of the committee, and draft reports will be submitted to a Cabinet-level committee, tentatively consisting of State, Treasury, HEW, and AID for review. OMB, NSC and the Domestic Policy Staff will be integrally involved in both the planning and the review process. We intend to have a decision memorandum to you on the subject in late September.

CC: The Vice President



THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Secretary Bergland -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Drought

THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Jay Solomon -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Solar System in White House  
Federal Surplus Property  
Donation Program





THE PRESIDENT HAS SEEN.

DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

cc Bob J

July 8, 1977

1977 JUL 8 PM 3 23

MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson  
Secretary to the Cabinet

SUBJECT: Weekly Report

DROUGHT. Two-thirds of the 3,000 counties in the U.S. have been designated as eligible for either drought or flood disaster assistance.

Included for drought aid benefits are all counties in Kansas which, at the same time, are producing a record wheat crop.

Obviously, eligibility requirements are too lax. I am creating a task force to provide a short-term solution until the entire disaster assistance program can be reviewed and revised.

I agree -  
please expedite

Our recommendations for changes in the Federal Crop Insurance program would address this but are opposed by OMB.

TRAVEL. Public and media reaction to the Administration's "get out of Washington" policy continues to be favorable. This, last week, from the Franklin (N.C.) Press:

He (Assistant Secretary Cutler) didn't stay in Washington and attempt to reach a decision by just reading a report. He came out on the grounds to see what the situation is. ...Regardless of his decision (National Forest Management Plan) we appreciate his coming "on the ground" to really see the problem.

WHEAT. Current estimates indicate a 390-400 million ton crop worldwide. That would mean a global carryover of 40 million tons and a U.S. carryover of 18 million tons.

BOB BERGLAND

Electrostatic Copy Made  
for Preservation Purposes



United States of America  
General Services Administration  
Washington, D.C. 20405

cc Jay  
J

Administrator

THE PRESIDENT HAS SEEN.

July 8, 1977

1977 JUL 8 PM 4 30

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on GSA Activities

Feasibility of Adding a Solar System to the White House

The Solar Energy Division of the Energy Research and Development Administration (ERDA) has a current contract with Ehrenkrantz, Inc., and Mueller Associates, Inc., professional consultants, to investigate the feasibility of adding a solar system to the White House. The investigation was undertaken at the request of Dr. James Schlesinger, Energy Policy and Planning, Executive Office of the President. ERDA has the responsible role in this investigation, however, both GSA and the Park Service have certain responsibilities for operating the White House complex and are being kept informed on the progress of the investigation. At the same time, GSA Region 3 is studying the White House complex to identify other feasible actions which could be taken to reduce energy consumption. *most feasible*

Fire Suppression Efforts

Region 8 recently advised that major forest fires were out of control in New Mexico, Arizona and Alaska. For the week ending June 24, our three western most regions shipped over \$500,000 of supplies in support of fire suppression efforts to contain these and other forest fires plaguing drought stricken areas of the country. Our supply balances for items stocked specifically for support of these fire suppression efforts remain in good condition.

Federal Surplus Property Donation Program

The possibility exists for the exclusion of the State of Nebraska from participating in the Federal Surplus Property Donation Program under P.L. 94-519 by reason of its failure to comply with the requirements of the Federal law. P.L. 94-519 specifically provides for the eligibility of nonprofit educational or public health utilizations or organizations. By eliminating this substantial category of eligible institutions and organizations, the State fails to comply with P.L. 94-519 and this State plan would not be acceptable. To this date this is the only case in which the possibility exists of a State not being eligible to receive Federal Surplus Property under P.L. 94-519. Unless the State can come into compliance with the law, we see no alternative but to find them ineligible and to exclude them from participating in the program. *ok*

Electrostatic Copy Made  
for Preservation Purposes



### Ford Papers

Daniel J. Reed, Assistant Archivist for Presidential Libraries, is visiting Ann Arbor and Grand Rapids, Michigan, this week to consult with archivists at the Ford Presidential Materials Project concerning processing of the Ford papers and to meet with the architects for the Ford Museum and attend a press conference and television interview at NBC Station WOTV on development of the Ford Museum.

### NATO Meetings

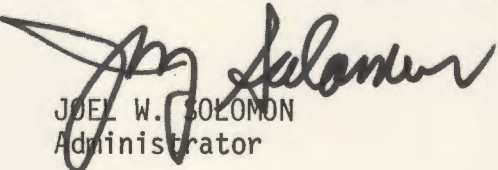
On June 29, the FPA Acting Director accompanied by the staff International Affairs Officer attended a meeting of the North Atlantic Council (NAC) in Brussels and on June 29-30 represented the U.S. at the Plenary Session of the NATO Senior Civil Emergency Planning Committee (SCEPC). Following approval by NAC of the new planning concept regarding civil support of NATO military forces, implementing instructions were developed and issued to eight SCEPC Planning Boards and Committees. Work programs for 1977-78 and exercise planning were also discussed and approved along with planning guidelines for NATO Civil Wartime Agencies. On July 1, the Acting Director met with senior NATO and U.S. officials at NATO Headquarters. He is traveling this week on emergency preparedness business in Iran and Germany.

### Emergency Broadcast System

Federal Preparedness Agency (FPA) staff members briefed the Deputy Press Secretary to the President on emergency transportation arrangements for him and submitted for approval a draft new Statement of White House Requirements for the Emergency Broadcast System. The new statement, drafted after a study conducted by FPA in coordination with the Office of Telecommunications Policy, the Federal Communications Commission and the White House Communications Agency, was prepared to clarify criteria and arrangements in a 1971 statement of requirements. Also submitted for review and approval was a draft Basic Plan for Federal Government Emergency Information. The Deputy Press Secretary was invited to visit the FPA Special Facility and to receive a specific briefing on the background, support and status of planning related to the Office of the Press Secretary.

### Tungsten Sales

FPA announced the sale on July 1 of approximately 58,000 pounds of stockpile tungsten. All of the material awarded was for export, and the value was \$572,164. The next tungsten bid opening will be on July 26 with 500,000 pounds to be available for sale. Sales for this material during the current fiscal year have reached approximately \$30.0 million.



JOEL W. SOLOMON  
Administrator

THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Secretary Andrus -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Bert Lance

Re: Redwood Bill





THE PRESIDENT HAS SEEN.  
THE SECRETARY OF THE INTERIOR  
WASHINGTON

July 8, 1977

cc Lance  
J

MEMORANDUM TO THE PRESIDENT

FROM: The Secretary of the Interior

SUBJECT: Major Topics for the Week of July 4

Our Administration's Redwood Bill is still in OMB where it has resided since June 17. This must move if we are to show positive and timely results.

Once again, the Interior reorganization package has been held up. This time on the reasoning that Mr. Hoffman is coming on board to head up the effort in Harrison Wellford's shop and he should present it to you. If he feels a "pride of authorship" and wants to delay for another rewrite, I may have to ask for your intervention.

Bert and I have been discussing the need to have you float a beautiful white water river to depict that some rivers have other benefits than for dams. As well as being fruitful from a public posture, you will enjoy it immensely. I have the river picked out if you are interested and it will only take two days of your time.

  
CECIL D. ANDRUS

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Secretary Marshall -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Paperwork Reduction  
Coal Industry



THE PRESIDENT HAS SEEN.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

"FYI"

cc Ray  
J

July 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: RAY MARSHALL, SECRETARY OF LABOR R. m.

SUBJECT: Major Departmental Activities, July 2-8

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

Economic Incentives

During the past week, OSHA staff and I met with Harrison Wellford and his staff to further define the work of the interagency task force on OSHA reform. The group agreed to begin work on the structure, scope and timetable for studying the use of economic incentives as a way of encouraging compliance with OSHA safety requirements. It was also agreed that labor, business and Congress would be consulted before announcing the study so no misunderstanding about the purpose of the study is possible. Additional improvements in the regulatory process in the safety area can be made, but it is important that this study not be perceived as an effort to dilute the Administration's commitment to better health and safety in the workplace.

Paperwork Reduction

OSHA will be announcing in the next few weeks a significant reduction in the amount of recordkeeping required of business. Half the forms that a business now has to fill out will be eliminated. The remaining forms will be simplified. OSHA calculates that 1.5 million businesses will be affected.

di -  
publicize

Cotton Dust Inspections

On June 27, Assistant Secretary Eula Bingham revoked a Nixon Administration order that exempted some workplaces from complying with cotton dust standards. These previously exempted locations (cottonseed oil plants, mattress factories, etc.) will now be routinely inspected.

LABOR MANAGEMENT RELATIONS

Coal Industry

As planned, I met this week with Jim Schlesinger, Charlie Schultze, Cecil Andrus, Jack O'Leary and Wayne Horvitz to review Administration preparations for a probable coal strike in December. We reached agreement on two key points: (1) The government's involvement should be low-key and not unduly interfere with the collective bargaining process; (2) There was consensus that I should speak for the Administration on all labor related matters affecting the coal situation. It is important for the Administration to speak with one voice on this subject because otherwise both labor and management will shop through the whole Administration looking for assistance. A deputies working group was also formed to follow up on specific issues. I will be discussing this subject at Monday's Cabinet meeting. *ok*

Construction Industry

On July 6, I announced the formation of an intra-Departmental committee on the construction industry. This committee will allow the construction industry to go to one place for assistance and for help in complying with various Departmental regulations. Previously, these activities were fragmented among the various agencies in the Labor Department. A major activity of this committee will be to assist local voluntary labor-management committees in the construction industry. This should have some impact on the climate of collective bargaining.

**Electrostatic Copy Made  
for Preservation Purposes**



THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Secretary Adams -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: No-Fault Insurance  
US-UK Bilateral Negotiations



THE PRESIDENT HAS SEEN.  
THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

*cc Brock  
J*

July 8, 1977  
1977 JUL 8 PM 4 35

MEMORANDUM FOR THE PRESIDENT

THROUGH: Jack Watson

SUBJECT: Issues Pending at the Department of Transportation

*BA*  
*Real slow*

This memorandum updates and identifies issues pending or near decision at the Department of Transportation.

ACTION

No-Fault Insurance

As you know, I am scheduled to testify before the Senate Commerce Committee on Wednesday, July 13, on proposals to mandate Federal minimum standards for no-fault automobile insurance.

I understand my memorandum to you on this issue has been circulated by Jack Watson's staff to the other Departments and agencies for comments. These comments are being summarized and will be sent to you shortly.

Before confirming my appearance before the Senate Committee, it is essential that I receive your decision on this issue. I would hope you could give me your instructions on Monday, July 11.

*ok - when  
I see it*

INFORMATION

Air Bags/Passive Restraints - Update

As reported in my memorandum to you of July 1, reaction to my air bags announcement has been extensive and mixed. Senator Griffin in addition to Representative Shuster have introduced concurrent resolutions to overturn the decision, but as yet no co-sponsors have been added. An Ad hoc Committee of the UAW, various insurance groups, and Ralph Nader have announced their intention to lobby to block the veto resolutions.



The Senate Commerce Committee has scheduled hearings on the passive restraint veto resolution for September 8 and 9 and have asked me to testify. No definite date has been set for the House hearings but we expect them to occur in mid-September.

#### Waterway User Fees

The threat of a resolution in the House to nullify the Senate vote on waterway user fees continues to be a serious problem. The House resolution would state that waterway user fees are a revenue-sharing measure and thus under the provisions of the Constitution, must originate in the House.

I will meet with Ways and Means Committee Chairman Al Ullman on Monday to urge him to avoid this action. I have also asked Secretary Blumenthal for a Treasury Department legal opinion supporting our position that this is not a revenue measure requiring origination in the House. This supporting opinion is vital since a resolution may be introduced early next week.

#### Deepwater Ports

In January 1977, former Secretary Coleman offered conditional licenses to develop deepwater ports to two oil consortia, LOOP, Inc., of New Orleans, and Seadock, Inc., of Freeport, Texas, who were the only applicants. Under the terms of the licenses, the applicants have until August 1, 1977, to decide whether to accept the licenses, which contain various conditions designed to protect the public interest by eliminating potential anti-competitive effects.

Certain key organizational questions have been raised by Seadock which has been threatening to refuse the license offer. Similar problems are expected with LOOP. There is strong Congressional interest in this issue, ranging from Senator Kennedy's view that oil companies should not be permitted to own the ports to Senator Long's determination that the licenses not become a vehicle for imposing terms and conditions on the oil companies which the Congress did not mandate in the Deepwater Ports Act.

I have taken a firm pro-competitive position while recognizing that the Federal Government should not impose terms and conditions that would involve the government in the day-to-day operations of the companies. We are in close communication with the Justice Department and will try to reach an accommodation on any remaining anti-competitive problems shortly, keeping in mind that maritime environmental and economic considerations led to a national decision to build the deepwater facilities.

INFORMATION

3

Our present expectation is to have the key matters resolved one way or the other by July 20 so the applicants will make their decision before the August 1 deadline.

U.S.-U.K. Bilateral Negotiations Completion

Next week the U.S. and U.K. technical staff will meet to work out the final details of the U.S.-U.K. Bilateral Air Services Agreement to be signed July 23 in Bermuda. I have discussed the protocol of this with Cy Vance. The Executive Branch will need to take certain immediate actions to take advantage of the additional routes available to the U.S. and to remove the second U.S. carrier from certain routes which will lose their right to dual designations. These matters will be covered in a forthcoming memorandum.

*Let's expedite*

**Electrostatic Copy Made  
for Preservation Purposes**



THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Secretary Califano -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re:  
Welfare Reform  
Child Welfare & HR 7200  
Medicaid Fraud  
Creation of DOT



THE PRESIDENT HAS SEEN.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

July 8, 1977

cc Joe  
J

1977 J 11  
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities in the Department of Health, Education, and Welfare.

- Welfare Reform: On Saturday, July 9th, I will spend one hour with the Governors on welfare reform, following your energy sessions. I will summarize what we learned from our extensive consultation with the States, and discuss some of the major issues that have not yet been decided. Early next week, we will be sending the States our estimates of the financial impact of the present welfare proposal under the no new initial cost constraint. *Let Stu minimize my time involvement if possible*

I envision the following timetable between now and the first week of August. In the next few days, Ray Marshall and I will try to reach a consensus on a final proposal. We will then circulate it to OMB, the Domestic Policy Staff, CEA and other EOP offices. By the end of next week, we should be able to submit to you a memorandum (which will be fairly lengthy) describing the outstanding issues, presenting alternatives and making recommendations. If you wish, we can brief you early in the week of July 18th. With final decisions by you during that week, we will be able to prepare a detailed message for you to submit to the Congress before the August recess, as you promised.

Accordingly, in early August we will submit to the Congress detailed specifications of your proposed welfare reform legislation. During that month, our staffs will work with Congressional staffs in preparing the actual piece of legislation. This should be formally sent to Congress in early September.

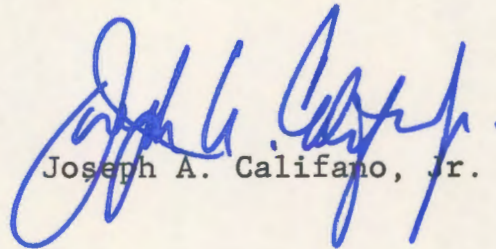
- National Health Insurance: On July 13-14, Under Secretary Hale Champion will chair a meeting of the Advisory Council on National Health Insurance Issues in San Antonio and Austin, Texas, to discuss rural health, migrant health, and the role of state government in administering a national health insurance program.

Electrostatic Copy Made  
for Preservation Purposes



- Child Welfare and H.R. 7200: If you approve the child welfare proposal that I have outlined in a separate memorandum sent to you yesterday, I will present the proposal to the Senate Finance Subcommittee on Public Assistance on July 12. The Subcommittee is considering H.R. 7200, the Public Assistance Amendments of 1977. Your child welfare proposal is a suggested modification of part of this legislation. As you know, we support some of the other parts of H.R. 7200 (i.e. raising the ceiling on Title XX by \$200 million to provide 100% federal match for child care) but oppose some major provisions of the bill passed by the House (i.e. extending SSI to Guam, the Virgin Islands and Puerto Rico -- which will cost a total of \$255 million in FY 78 and FY 79). Unless the provisions we oppose are deleted, you may well have to veto the legislation. *ok*
- Regional Reorganization: We have completed our four month study of the regional offices. The major change is to alter the role of the regional director; rather than being a mini-secretary, with operating responsibilities, we have decided that there should be direct command relationships from the five Washington operating Divisions established in the recent reorganization to the field (e.g. from the Office of Education to Regional Commissioner). The regional director should then, in effect, become an ambassador for the Secretary. His responsibilities should, in the main, be to work with the Governors, Mayors and Congressional delegations and make sure that there are harmonious State-Federal relationships. As soon as our reorganization ideas are approved by Jack Watson's office, we will go forward with regional appointments.
- Regional Visit to Atlanta: During my visit to Atlanta I spent a very productive hour with Governor Busbee who, among other things, gave me a very detailed description of the impact Medicaid is having on Georgia's welfare bill. Georgia has been working closely with our Project Integrity staff here in Washington and we have together identified 50 apparent cases of serious Medicaid fraud. Unfortunately, neither the State nor HEW has adequate investigatorial resources to pursue all of these cases fast and hard. I will be sending you a longer memo in a few days on the need for additional manpower in the fraud and abuse field. Dollars spent here will be repaid many times over. *More on Key test cases*

- Reaction to Higher Education Desegregation Guidelines:  
I personally spoke to every Governor in all six states and to some leaders of the systems of higher education before the desegregation guidelines were submitted to the District Court. In the main, the states can live with our guidelines. With the exception of Virginia, all expressed appreciation that we had consulted closely and carefully with them during the preparation of the guidelines.



Joseph A. Califano, Jr.





THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

1971 JUL 6 AM 9 13

July 5, 1977

*Joe*  
*Thanks*  
*J*

FOR THE PRESIDENT

FROM JOE CALIFANO

*Joe*

On more than one occasion, I have heard you state that it took two years to create the Department of Transportation.

The actual period involved was only seven months. President Johnson sent a message to Congress urging establishment of DOT on March 2, 1966. The Bill (P.L. 89-670) was signed into law on October 15, 1966.

Perhaps you were thinking of the Department of Housing and Urban Development. President Kennedy first recommended legislation to establish HUD in 1961, and the Congress ignored it. In February, 1962, the Congress rejected a Kennedy reorganization plan with the same purpose. In both 1964 and 1965, President Johnson recommended the creation of HUD in messages to Congress. He signed P.L. 89-174, which established HUD, on September 9, 1965, almost two years after Johnson first recommended it.

*Possibly*  
*too*  
*quick*  
*J*

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Secretary Kreps -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Cargo Preference  
Shoe Proposal





THE SECRETARY OF COMMERCE  
Washington, D.C. 20230

To Juanita  
J

July 8, 1977

1977 JUL 9 AM 10 07YI"

REPORT TO THE PRESIDENT

Cargo Preference

In conjunction with the White House, the Department completed a proposal for limited cargo preference that you have approved. We are now taking follow-up action on this decision to include:

- (a) preparation of a fact sheet and press statement explaining the Administration's position and the economic impact of our proposals;
- (b) preparation of legislative amendments to Congressman Murphy's bill that will thoroughly reflect the Administration's position on this issue; and (c) preparation of testimony for approximately the last week of July.

Be  
strict

Trade Deficit

We have a growing concern with our trade deficit and all of its economic and political implications. We believe the deficit may be due to some fundamental structural problems that will be with us for a long time as well as to some temporary cyclical causes. Accordingly, we think the problem should be studied carefully and that the Administration should consider a series of steps aimed, over the shorter and longer term, at the underlying causes of the trade deficit. We will be sending you a complete report in a few days.

Shoe Proposal

I hope that you will be able to make a brief appearance at the press conference announcing the shoe program prepared by the Department. Much of the success of such a program will depend upon the voluntary cooperation of all the various segments of the shoe industry and the Government. That is why your participation in the introduction of the program can have so much impact. Your brief appearance would certainly go a long way toward encouraging the industry to enthusiastically back the program. It would be an opportunity to display this Administration's commitment to a partnership with private enterprise in a joint effort to tackle one of our most persistent economic problems. It would also be an opportunity for you to underscore your own firm commitment to assist our industries and workers to adjust to open-trade principles.

Probably  
no

Administration Water Policy

Commerce is now actively participating in the interagency 6-month water policy study you called for in your environmental message. During my recent trip through the West, I was impressed with how strongly the Governors of the Western states want to relate water

Electrostatic Copy Made  
for Preservation Purposes

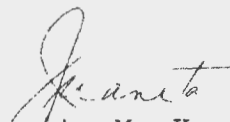


resource development with their region's long-range economic development. While one of my major interests relates to the impact that water decisions have upon regional economic development, I also fully recognize the critical need for increased water conservation. The study also has a potential impact on a number of Commerce programs such as coastal zone management, weather modification, water transportation, and marine fisheries. We are working closely with Secretary Andrus to ensure that issues raised in the study take into account these on-going programs.

#### Energy Impact Policies Report

For some time the Department has been concerned about the impact of energy development on communities. Governors, primarily of Western and Appalachian States, have also been concerned and have sought Federal help in financing the service and infrastructure requirements of communities overwhelmed by annual growth rates of 20 percent or more. The magnitude of the problem is that several thousand small towns in 300 inland, mainly rural, counties will be affected by energy development projects by 1985.

In April, I established a Department-wide Task Force to study and develop policy options on the requirements of areas experiencing rapid growth as a result of energy development. The Task Force has consulted with Dr. Schlesinger's staff, the Department of the Interior, CEQ, and the Appalachian Regional Commission. The DoC Task Force has identified four options for consideration: (a) Senator Hart's bill (S-1493) to create a new and comprehensive inland energy impact assistance program in the Commerce Department; (b) a new Administration bill designed to benefit inland communities patterned on the experience of our Coastal Energy Impact Program (NOAA); (c) the augmentation of the existing EDA grant programs, in part, to provide the capital for state administered revolving loan programs; and (d) the combination of augmented EDA programs with an Interior-proposed loan program based on coal royalties. These options will be submitted to Dr. Schlesinger's Administration-wide study of this problem.

  
Juanita M. Kreps



**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Brown to The President (2 pp.) re: Activities of SecDef, Week of July 2-8, 1977/ enclosed in Hutcheson to Mondale etal. 7/11/77	7/8/77	A
memo	From Blumenthal to The President (3 pp.) re: activities of Sec. of the Treasury, Week of July 2-8, 1977/ enclosed in Hutcheson to Mondale etal. 7/11/77	7/8/77	A
telegram	From FBI Field Office, Detroit to Director (10 pp.) re: League of Revolutionary Black Workers	4/19/71	A
memo w/ attach.	From Brzezinski to Jordan (6 pp.) re: Appointments to the Board for International Broadcasting/ enclosed in Hutcheson to Jordan 7/11/77	6/17/77	A

**FILE LOCATION**

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 7/11/77 [1] Box 39

**RESTRICTION CODES**

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.



EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

July 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *CW*  
Gus Speth  
Marion Edey

SUBJECT: Major Accomplishments of the Council on Environmental  
Quality Since February 1977

As you consider the reorganization team's recommendations on the role and scope of CEQ, you might be interested in what the Council thinks are some of its major accomplishments over the past six months:

1. The Environmental Message: We developed nearly all of the initiatives in the Message, and also did the drafting, interagency coordination, and Congressional liaison related to it. It has been well received by the Congress, the press, and the public.
2. The Water Projects Review: Early in the Administration we identified 30 projects that were candidates for termination on environmental grounds. During the subsequent review phase, we had overall responsibility for environmental analysis and evaluation. With Interior and the Office of Management and Budget, we are leading the ongoing water resources policy review. CEQ staff is co-chairing a major task force in that effort.
3. Nuclear Non-proliferation-CRBR-Barnwell: We helped to develop and implement the Administration's non-proliferation strategy and to lobby in Congress against the CRBR and the Barnwell reprocessing facility. These efforts have included preparation of analyses for you (on the CRBR) and for several EOP units, acting as liaison between environmental groups and the Administration in this area, and direct contact between members of the Council and members of Congress. The initiatives in your Energy Plan calling for a review of nuclear waste management and for a review of reactor licensing were originally developed by CEQ.
4. Federal Water Pollution Control Act: With EPA, we have lead in developing Administration positions on revision of the FWPCA. In particular, we have been responsible for developing proposed

Electrostatic Copy Made  
for Preservation Purposes



amendments on the Act's regulatory program protecting wetlands, on the use of economic incentives for enforcement, and on strengthening control of non-point source (runoff) pollution.

5. Tanker Message: CEQ co-directed this effort with OMB and provided the lion's share of the Executive Office staff support. We chaired the task force on tanker construction standards and were the principal drafters of the oil spill liability fund legislation.

6. Alaskan Natural Gas Pipeline: After a series of public hearings in Alaska and Washington and an extensive review of the record, CEQ sent you a major report last week concluding that the environmental impact statements on the project were legally sufficient and ranking the three route proposals by environmental acceptability.

7. Clean Air Act: We coordinated the lobbying efforts of environmental groups with the White House and EPA congressional liaison offices and drafted your letter to Senator Muskie which many observers believe prevented a loss in the Senate on the auto emissions issue.

8. Tuna-Porpoise Controversy: We participated in negotiations among the principals in the dispute; and, along with Commerce, drafted an Administration bill.

9. International Whaling Commission: We assisted Commerce in achieving major reductions in quotas as recommended by Commission scientists.

10. EIS Guideline Review: We held a series of public hearings successfully involving business, labor, public agencies, environmental and other groups in a constructive and joint effort to begin reforming the preparation and use of environmental impact statements.

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

C

July 8, 1977 ~~PT~~ JUL 8 PM 4 27

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze <sup>CLS</sup>

SUBJECT: CEA Weekly Report

Humphrey-Hawkins. A draft version of an Administration Humphrey-Hawkins bill has been prepared by my staff for discussion at an interagency meeting on Saturday. Stu Eizenstat and I are scheduled to meet with Senator Humphrey and Congressman Hawkins next week to discuss this draft with them.

Coal Strike. I have asked my staff to examine the possible consequences of a coal industry strike later in 1977. This work is being coordinated with efforts led by Ray Marshall and Jim Schlesinger to prepare for a strike, which most observers believe is likely.

Mandatory Retirement Age. A Labor Department proposal to increase the mandatory retirement age, which will reach your desk soon, has been examined by CEA staff members. CEA has expressed to Stu Eizenstat several concerns. The proposal could raise costs and could adversely affect the job mobility of women and minorities. We don't know the magnitude of these effects, but suggest further analysis of these proposals before the Administration buys this proposal.

Food Price Outlook. I met today with a small group of business and academic economists who had been invited to discuss with CEA members the prospects for food prices later in 1977 and beyond. Shortly I will provide you with a summary of the conclusions drawn from the meeting.

OECD Meeting. A member of the CEA staff traveled to Paris this week to participate in an "Experts Group" of the OECD convened to discuss investment behavior in OECD member countries. This meeting is part of a study



of long-term prospects for economic growth within the OECD member nations that the organization is conducting.

Ongoing Projects. CEA staff members worked this week to prepare for our Friday meeting on budget strategy. Members of my staff are working on the interagency group preparing final recommendations for you on the Alaskan natural gas pipeline. We continue to be involved in airline regulatory reform. I have held up providing you with a final proposal for an Economic Impact Analysis Program pending the outcome of EOP reorganization, which could affect the proposal we have prepared. We hope to have a final proposal to you shortly.



THE PRESIDENT HAS SEEN.  
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

C

July 8, 1977

1977 JUL 8 PM 4 30

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of Major Departmental  
Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

HUD Places Conditions on Boston's Block Grant Approval.

On June 29, HUD approved the City of Boston's application for \$29 million of third-year community development block grant funds following the city's submission of special assurances to implement fair housing, equal opportunity, and contract administration requirements. The assurances will provide, in part, for a program established by the mayor to use the media, city departments, and neighborhood outreach to implement fair housing requirements and counter the negative aspects of parochialism in Boston's neighborhoods. The program's stated goal is to ensure "that all residents can exercise their choice to have access to any section of the city."

While the HUD decision to approve Boston's application was viewed as a positive step by both local and national media, civil rights groups in Boston still are not fully satisfied by the city's assurances.

Block Grant Approvals Pass One Thousand Mark. HUD Area Offices have received 1,261 entitlement applications from cities and urban counties for Fiscal Year 1977 funding. To date, 1,001 applications have been approved and 5 applications have been disapproved. Five Area Offices have completed their funding of entitlement applications.

Disaster Relief -- Temporary Housing Efforts Substantially Completed. HUD's temporary housing objective in the seven states affected by floods and tornadoes in April was to provide shelter for 9,808 eligible families by June 30. This goal was achieved in Virginia, Tennessee, Alabama, Louisiana, and Missouri.

Electrostatic Copy Made  
for Preservation Purposes



As of June 30 all 2,131 eligible families in West Virginia had been offered housing assistance and only 76 families had not actually accepted such assistance. Twenty-four of these families were waiting for group site completion, and private sites were being developed for 52 families. As of July 4, only 41 families have not accepted emergency housing assistance and are waiting for completion of either group or individual sites.

In Kentucky all 5,260 families were housed as of June 30, although 102 mobile homes did not have all utilities. As of July 4, there were 51 mobile homes which lacked one or more utilities.

Housing Energy Conservation. The Office of Housing has sent a notice to the field offices requiring that HUD staff furnish copies of the booklet, "In the Bank...Up the Chimney?" to all purchasers of HUD properties. This booklet describes energy conservation methods and suggests ways in which homeowners can make their homes more energy efficient.

Representing the President in Puerto Rico. Assistant Secretary William A. Medina served as the Administration's official representative at the Independence Day celebration in San Juan, Puerto Rico. He spoke on national television and was interviewed by several members of the communications media during and after the six hour parade. Mr. Medina extended warm greetings on your behalf to the people of Puerto Rico, but avoided taking positions on the status of the Island and pardoning the Nationalists who are currently in jail. A pro-Independence group delivered a letter to Mr. Medina asking that he intercede on behalf of the prisoners.

Mr. Medina is the first Assistant Secretary of Puerto Rican heritage in the U. S. government and the only Puerto Rican at the Assistant Secretary level in this Administration. Press commentary about his visit was very favorable.

Pat

Patricia Roberts Harris

# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Brown to The President (2 pp.) re: Activities of SecDef, Week of July 2-8, 1977/ enclosed in Hutcheson to Mondale etal. 7/11/77	7/8/77	A
memo	From Blumenthal to The President (3 pp.) re: activities of Sec. of the Treasury, Week of July 2-8, 1977/ enclosed in Hutcheson to Mondale etal. 7/11/77	7/8/77	A
telegram	From FBI Field Office, Detroit to Director (10 pp.) re: League of Revolutionary Black Workers	4/19/71	A
memo w/ attach.	From Brzezinski to Jordan (6 pp.) re: Appointments to the Board for International Broadcasting/ enclosed in Hutcheson to Jordan 7/11/77	6/17/77	A

## FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 7/11/77 [1] Box 39

## RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.



THE PRESIDENT HAS SEEN.  
THE SPECIAL REPRESENTATIVE FOR  
TRADE NEGOTIATIONS  
WASHINGTON

1977 JUL 8 PM 2 17

July 8, 1977

C

MEMORANDUM FOR: THE PRESIDENT  
FROM: Robert S. Strauss *RS*  
SUBJECT: Weekly Summary

Although the days have been long this week, I don't think we have accomplished anything very constructive.

We continue to wrestle with the sugar problem and Secretary Bergland, John White, Julius Katz and I had a long meeting this week. Secretary Bergland believes we should "tough it out" for a period of time, and I certainly agree. In the meantime, there is nothing productive that we can do and certainly no reason for your involvement until things improve.

We have had meetings with the German Ambassador relating to the Schmidt visit and I hope you will reinforce his commitment to immediate progress in the Geneva negotiations.

At a request from the Canadians, a U.S. delegation went to Canada on July 7, to receive the Canadian compensation offer to the U.S. for their recent import restrictions on textile and apparel items. This marked the first time, in many months of negotiation, where the Canadians responded to the U.S. request for compensation under GATT Article XIX. With the possibility of U.S. retaliation imminent, the issue had been presented to Canadian Ministers who authorized the offer. We expect to review the offer today and will formally notify the Canadians that while the offer is appreciated it is insufficient. It is expected that the Canadians will request time to go back to Ministers to consider whether additional compensation should be forthcoming.

My Deputy Ambassador Alan Wolff was in Sweden this week meeting with the Nordic countries in our first formal

effort to provide the "New Impetus" to the Geneva negotiations called for at the Summit. He will meet me in Brussels Sunday where we make a major presentation to the EC leadership in the same effort. The preparation for this meeting has been very thorough.

I will miss the Cabinet meeting on Monday. I trust my absence will be duly noted ... but not welcomed!



LIMITED OFFICIAL USE

C

TO: President Carter

July 7, 1977

THROUGH: Jack Watson

1977 JUL 7 PM 4 06

FROM: USUN - Ambassador Young

SUBJECT: Weekly Summary of U.S. Mission to the U.N.  
Activities June 29 - July 6

1. ECOSOC

Amb. Young departed for Geneva on July 3 to attend the Summer Session of the Economic and Social Council (July 6 - August 5). The Council will focus primarily on economic issues, and the atmosphere at this session will be an important factor in shaping the climate at the resumed session of the 31st General Assembly scheduled for mid-September. Amb. Young will deliver the major US policy statement on the 8th.

2. NEW UN MEMBER STATE - DJIBOUTI

On July 7, the US joined with all the other members of the Security Council to recommend to the 32nd General Assembly that Djibouti be admitted to the UN.

3. NAMIBIA

The Western Five Members of the Security Council extended an invitation to SWAPO President Sam Nujoma and the SWAPO National Executive Committee to talks in New York beginning July 11, on Namibia.

4. OTHER MEETINGS

Amb. Young met with the Prime Minister of Guinea, Lansana Beavogui.

LIMITED OFFICIAL USE

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Hugh Carter -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Aircraft Manifest



THE PRESIDENT HAS SEEN.

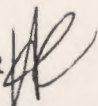
THE WHITE HOUSE

WASHINGTON

July 7, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER 

SUBJECT:

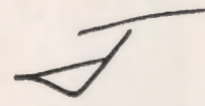
Aircraft Manifest

We will soon be submitting copies of manifests for military aircraft used for White House missions to Jack Brooks' Committee. Lucy Langford, Judy's sister, traveled on board Air Force I on April 10 from Dobbins AFB to Andrews. Lucy is not included in the legal definition of First Family, and therefore must be considered on unofficial business. Although you have the right to invite guests on Air Force I, we have previously recommended that such invitees pay their own way in order to keep our policy consistent. (Copy of policy attached.) The cost for this trip would be \$106.00.

However, we did not officially notify the Brooks Committee of our policy until May 4, so an argument could be made for not billing anyone in this instance. For your information, all White House staff have been billed for travel by their dependents on Air Force I even prior to May 4.

Since you are the logical person to be billed in this instance, please indicate your preference.

☒ Bill ~~me~~ *Rosalynn*

☐ Do Not Bill 

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE


WASHINGTON

April 8, 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER 

SUBJECT:

Brooks Committee Request for Executive Office  
Policy on Military Aircraft Use (Per Your Request)

Attached at Tab A is the proposed policy for the use of military aircraft by the Executive Office. The basic principle of this policy is that such aircraft will be used for official purposes, and any unofficial passengers will ride only on a reimbursable basis. Bob Lipshutz, Doug Huron, Mike Berman, Margaret McKenna and Herb Upton have all worked with me on a committee to formulate this proposal. Jody Powell and Ham Jordan have also had input.

You should be aware that in regard to paragraph 8 of the policy, that you do have the legal right to invite people not on official business to travel with you on Air Force One. Although there would be no tax consequence to you, we recommend that such invitees pay their own way in order to keep the policy consistent.

The Brooks Committee also asked for copies of all support and Air Force One manifests. We recommend that we provide these to them every six months (and make public at the same time) subject to the following restrictions (also to be made public):

1. Manifests would not include medical, secret service, WHCA or military aide. This is for security purposes.
2. We would reserve the right to not release manifests for missions of a sensitive nature nor the names of passengers of a sensitive nature.

A sample of what the manifest would look like is included under Tab B.



By providing this information, we are doing something no Administration in the past has done and is in keeping with our general policy of being as open as practical.

If you approve, I will prepare this data in the necessary format for forwarding to the Brooks Committee.

✓

---

APPROVE

---

DISAPPROVE - Let's discuss

J.C.

Use of Military Passenger Aircraft by  
the Executive Office

---

1. Military passenger aircraft may be used by the President and Vice President on a need basis as required by the duties of the office. Presidential and Vice Presidential travel, other than for political purposes, is official and need not be reimbursed. This will include travel by the First Family when in the company of the President and the Vice President's family when in his company, or when travelling separately on official business. Staff that is necessary for assisting the President or Vice President in carrying out the duties of office will also travel aboard such aircraft on a non-reimbursable basis.
2. The remainder of the Executive Office may use military aircraft only when use of commercial aircraft is not feasible or at such times as a specific situation might dictate that it is in the government's best interest.
3. Military aircraft may be used by special designees of the President when on official business. This would include humanitarian situations and situations involving the security and well being of the Nation.
4. Military aircraft may be used for transportation of foreign heads of government and high-ranking dignataries as deemed appropriate by the President.
5. Appropriate reimbursement will be made for use of military aircraft for political purposes.
6. Military aircraft will be used for travel by individuals on non-official business on a reimbursable basis only. This will include First Family and Vice President's family not on official business and not in the company of the President or Vice President.
7. Under the Presidential Transition Act of 1963, military aircraft may be used in order to promote the orderly transfer of executive power for a period of six months after leaving office. Subsequent to the transition period, a former President or member of a former First Family may be furnished military aircraft, and the President may authorize the use, as provided for in paragraph 3 or when properly authorized by the Treasury Secretary subject to all provisions herein.



8. Other Presidential and Vice Presidential designees not on official business may travel on military aircraft only on a reimbursable basis.

MANIFEST

EIA . AIR FORCE ONE

Andrews AFB, MD to Robins AFB, GA

Dep. 1546

Arv. 1730

1+46

603 SM

11 February 1977

---

1.	The President	
2.	Mrs. Carter	
3.	Amy Carter	
4.	Caron Carter	
5.	Jeff Carter	
6.	Annette Carter	
7.	Senator Sam Nunn	
8.	Jody Powell	Press Secretary
9.	Jack Watson	Assistant to the President
10.	Fran Voorde	Presidential Scheduling
11.	Barbara Heinebeck	Media Advance for First Lady
12.	Mary Fitzpatrick	First Lady's Staff
*13.	Fran Lewine	AP
*14.	Helen Thomas	UPI
*15.	Frank Van Riper	NY Daily News
*16.	Hal Walker	CBS
*17.	Charles Tasnadi	AP Photo
*18.	Dennis Cook	UPI Photo
*19.	Cal Marlin	CBS Film Crew
*20.	George Christian	CBS Film Crew
*21.	Glenn Bowman	Radio Engineer

NOT INCLUDED: USSS, WHCA, Military Aide, Medical

\*Reimbursable



THE WHITE HOUSE

WASHINGTON

July 11, 1977

\*Stu Eizenstat -

The attached was returned in the President's outbox and is forwarded to you for appropriate action.

Please pass along to Secretary Marshall and Secretary Blumenthal.

Rick Hutcheson

cc: The Vice President  
Hamilton Jordan  
Frank Moore \*  
Bert Lance  
Charlie Schultze

Re: Minimum Wage

\*copies given to you in Oval Office.



THE WHITE HOUSE  
WASHINGTON

July 10, 1977

*Stu-*  
*ok.*  
*no more*  
*change*  
*J*

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Minimum Wage - Charlie Schultze's Memo

At your suggestion, I asked Charlie to review George Meany's proposed compromise on the minimum wage. I also talked to Secretary Blumenthal and Bo Cutter over the weekend, in Bert's absence. I also notified Frank Moore in Mississippi about the developments.

Charlie, Ham and I met to discuss this on Saturday and we are all in agreement, together with Mike, on the approach in Charlie's memo. I might add, however, that Secretary Marshall would prefer to simply accept Meany's compromise.

Under Charlie's approach, we would "accept" the compromise, with the following modifications:

- (1) Change the computation period to reflect the one in Congressman Dent's bill -- December to December, with the minimum wage being adjusted the following June -- a 6 month lag.
- (2) One extra year before the 53% figure is reached -- January, 1980 (as suggested in your conversation) rather than January, 1979, as Mr. Meany has proposed.
- (3) Maintenance of the "tip credit", which the AFL would like to knock out, but which Ray informs me was not a part of his conversation with Mr. Meany.

We think that Mr. Meany's offer was not his bottom-line word and that ours is sufficiently close to be one he could accept -- but would help buffer the inflationary impact. It would get to the 53% the AFL is now willing to accept.

Ham and I also agree with the strategy Charlie has suggested, which is one we developed in our meeting. That will help minimize the impact of moving from our initial position.



THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

July 9, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*  
SUBJECT: The Minimum Wage: Round Four

I understand that George Meany would agree to a minimum wage compromise of:

- . \$2.65, January 1, 1978
- . Indexing at 53 percent each January thereafter, based on an October-to-October manufacturing wage average.

In all of our indexing calculations so far, we have assumed that the wage base would be the average over a 1-year period ending six months before the new minimum took effect. (For example, if the new minimum took effect on July 1, the wage base would be the 12-month period ending in the prior December; if it took effect in January, the base would be the 12-month period ending in the prior June, etc.)

The Meany formulation moves the base period three months closer to the effective date. This has the effect of increasing the minimum wage by 5 to 7 cents, without changing the indexing percentage.

- . Since manufacturing wages are growing at 7 percent a year, moving the base period forward by three months adds almost 2 percent to the base, and so almost 2 percent to the minimum.

The Meany 53 percent indexing formula is therefore equivalent to 54 percent under our previous calculations.

I think we might live with the following modification to the Meany proposal

- . The new minimum wage takes effect each January 1, based on the manufacturing wage average for the 12 months ending in the prior June.
- . January 1, 1978, \$2.65 (equals 51.2 percent of the prior base, ending in June)
- . January 1, 1979, 52 percent, (\$2.88, estimated)
- . January 1, 1980, 53 percent, (\$3.14, estimated) and thereafter

In effect, this gives Meany the \$2.65 right away, and goes to 53 percent only one year later than under his formula. It is very close to one of the two compromises we had suggested earlier.

In making the calculations we have assumed a 7 percent annual growth in manufacturing straight-time wages. Under this compromise, the annual increases in the minimum wage would be:

Jan. 1, 1977 - Jan. 1, 1978,	15 percent (\$2.30 to \$2.65)
Jan. 1, 1978 - Jan. 1, 1979,	9 percent (\$2.65 to \$2.88)
Jan. 1, 1979 - Jan. 1, 1980,	9 percent (\$2.88 to \$3.14)

By 1981, when the new welfare program might be in full swing, the new minimum would be about \$3.35, or \$6,700 a year for full-time workers. A 10 percent earned income tax credit, with a slightly higher income cut off than at present, would bring this to about \$7,000. In dollars of 1977 purchasing power, assuming a 5-1/2 percent average inflation rate, this would still amount to \$5,650 which is only a little below the poverty standard for a family of four.

The following table compares the minimum wage under various formulas.

**Electrostatic Copy Made  
for Preservation Purposes**



	<u>Meany</u>	<u>New Alter- native</u>	<u>Compromise Proposal in Eizenstat memo of 6/7/77</u>	<u>Original Administration Proposal<sup>1/</sup></u>
Late 1977			\$2.55	
Jan. 1, 1978	\$2.65	\$2.65		\$2.59
July 1, 1978			2.78	
Jan. 1, 1979	2.99	2.88		2.77
July 1, 1979			3.03	
Jan. 1, 1980	3.21	3.14		2.92
July 1, 1980			3.24	
Jan. 1, 1981	3.43	3.36		3.18

<sup>1/</sup> Assuming 50 percent indexing, effective January 1, rather than July 1.

The new alternative turns out to be fairly close to one of the compromises (which you tentatively approved) suggested in a June 7 Eizenstat memo to you. The only real difference is the time of year the increase goes into effect.

Compared to our original proposal the new alternative, on CEA estimates, would ultimately add about 0.3 to 0.6 percent to the price level, spread out over a number of years. The Meany proposal would add an additional 0.1 to 0.2 percent on top of this.

I also suggest we continue to stand firm on the "tip credit" matter.

#### Next Steps

If you agree to the new alternative, I propose that:

1. Ray Marshall try to get Meany's agreement. He can present it as an acceptance of Meany's basic proposal, with some slight modifications.

) ok

2. Let Congressman Perkins introduce it as his compromise.
3. We would take a public stance of not opposing such a compromise.

I do not believe it should be presented as an Administration/Labor "deal." From the standpoint of moderate and conservative opinion, we should be in the position of reluctantly accepting a very modest increase in the minimum, above our original proposal, in order to avoid the possibility of an even larger increase.

I have discussed this with Stu and Ham and they agree.



THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Bob Lipshutz -

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

Re: Security Violations

u

THE WHITE HOUSE  
WASHINGTON

Bob Lipschutz

5/28

Secret

6/16

Sec/conf open safe

Security violations

LT

Electrostatic Copy Made  
for Preservation Purposes



THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Midge Costanza -

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

Re: International Women's Year  
Commission

---

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

Mr. President:

The final IWY Conference will be held November 18-20, 1977. By law, the IWY Commission must then submit a report to the President and Congress within 120 days of the (November) Conference.

The law provides that in no case shall the life of the Commission extend beyond March 31, 1978.

This note forwarded to you with Midge's concurrence.

Rick

*ok*  
*J*

**Electrostatic Copy Made  
for Preservation Purposes**



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 5, 1977

*Midge - I mean  
after this year  
J*

MEMORANDUM FOR:

THE PRESIDENT

FM:

MARGARET "MIDGE" COSTANZA

*MC*

RE:

International Women's Year Commission

The International Women's Year Commission -- originally authorized by Executive Order by Gerald Ford and perpetuated by statute -- is charged with developing a report to the President and to Congress which outlines plans for action to improve the status of women.

You recently replaced the IWY Commissioners appointed by President Ford with 44 men and women who better reflect the tone and character of this Administration.

The Commission has proceeded with its 56 state and territorial conferences at which delegates are elected for the final National Women's Conference to be held in Houston, Texas, on November 18 through 20. Eleven state conferences remain to be held (see list, attached).

The Commission's resolutions will be voted on and adopted by the 1,442 elected delegates in Houston and the President will be invited -- as will I and a member of Stu Eizenstat's staff -- to attend this final gathering of the Commission and the state delegates. I should also note that I recently addressed the Massachusetts state conference.

At the end of the three-year long process, an estimated 100,000 men and women will have participated. ~~I have attached, for your interest, the estimated attendance at meetings already held.~~

As authority to hold the National Conference and state and territorial meetings is statutory, my understanding has been that the meetings would proceed as planned.

I will, at your direction, consult with Bob Lipshutz's office, if you feel this is advisable.

attachments

THE WHITE HOUSE  
WASHINGTON

July 11, 1977

Esther Peterson -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Agency for Consumer Protection  
Bill

cc: The Vice President  
Stu Eizenstat

Frank Moore

Jack Watson

Joe Aragon

Bert Lance



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 6, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ESTHER PETERSON

SUBJECT:

Agency for Consumer Protection Bill

With eight legislative weeks left this year, we must reassess our position with respect to the ACP legislation and commit ourselves to a game plan for the coming weeks. The absence of a game plan will result in our passively concurring in a year-long deferral of the bill which I believe would effectively end its chances for passage.

Recap of Our Current Position

Our present posture shows that we have approximately 170 votes in the House; a certain victory would require us to win approximately 50 of the 80 undecided votes. Tip O'Neill is willing to schedule floor action when we can demonstrate sufficient support, the calendar permitting. However, the calendar is full until after the August recess.

In the Senate, we have nearly 60 firm votes for cloture, with Senators Byrd and Ribicoff remaining firm in their position to wait until the House has acted on the bill.

The grass roots effort is beginning to show positive results. The Nader nickels campaign is proceeding in 78 swing districts. The "coalition" office launched after your June 1 public meeting is gathering additional organizational and business support.

Plan of Action: Prior to the August Recess (Present--August 6)

On the basis of the preceding analysis, I propose that we use the next three weeks for a 3-pronged strategy, as follows:

First, we cannot abandon the slim possibility that Byrd can be persuaded to act within this period in the Senate. This would undoubtedly require your personal intervention. In approaching Byrd, the following points should be made:

(a) we have nearly 60 firm votes for cloture (with Cranston's help, we will re-verify the count prior to any discussion you have with Byrd);

*He won't  
do it  
because  
of time  
delay in  
imposing  
cloture.*

Electrostatic Copy Made  
for Preservation Purposes

(b) it is in the interest of both the leadership and the White House to wage a successful cloture fight as soon as possible, given the other crucial bills which Allen intends to oppose by filibuster;

(c) the fight will not take 2-3 weeks as Byrd predicts, given the favorable count; last year it took five days, and the double track is available.

(d) the Senate calendar still has some flexibility, the House calendar does not;

(e) the consumer agency fight will never be easier in the Senate where business has not yet focused its lobbying effort;

(f) a weak House-passed bill will pull the Senate version down to a level which will make a successful Conference exceedingly difficult;

(g) an early Senate fight will be given impetus by the grass roots campaign which will peak within this period and by the Administration's announcement of the reorganization plan (see below).

It would be my intention to visit Connecticut very soon to generate interest in Senate action in Ribicoff's home territory, as his recalcitrance is either responsible for, or giving support to, Byrd's resistance. *True*

Second, we will continue to contact House members, solidifying support where possible. Plans will be set for me and my staff to use the August recess for speaking in swing districts. The grass roots organizations will similarly devote substantial time to setting up recess meetings between constituents and swing members in their home districts.

Third, we will bombard the House with initiatives, including mailings on selected problem areas, e.g., judicial review, small business. The most prominent initiative will be an early release of the proposed reorganization plan. While early release may stir some additional attack on the bill, we are increasingly subject to criticism for withholding the plan since your June 1 announcement of the preliminary 13-office list. I propose that the plan be released at the Cabinet meeting of July 18. Following the Cabinet meeting, Bert Lance and I (preferably with Congressman Brooks and Senator Ribicoff) can present the plan to the press.

#### Plan of Action: Following the August Recess

We would aim for House action around Labor Day, whether the Senate has acted or not. By then, the fruits of the grass roots activity, coupled with an all-out August recess blitz in the field should put us in as favorable a position as we are ever likely to attain in the House. Should



adjustments in the bill be necessary to achieve a successful vote, we can address the question of compromise at that time. While I do not want to weaken the legislation and do not propose to do so, I am asking you for standby authority to negotiate a compromise at the time of floor action should this course become inevitable.

Instruction

1. Are you willing to urge Byrd to schedule the consumer bill prior to the August 6 recess?

Yes ☐

No ☒

Discuss ☐

2. Do you concur in the recommendation that the reorganization plan be released within the next few weeks?

Yes ☒

No ☐

Discuss ☐

3. Will you grant standby authority to negotiate a compromise should that strategy become necessary as floor action proceeds?

Yes ☒

No ☐

Discuss ☐



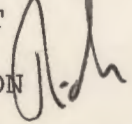


MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

INFORMATION

10 July 1977

TO: THE PRESIDENT   
FROM: RICK HUTCHESON  
SUBJECT: Staff Comments on Peterson Memo

1. Regarding Peterson's recommendation that Byrd be urged to reconsider his opposition to scheduling the ACP bill before the August 6 recess:

Eizenstat and Moore have no objection, but think it would be futile to urge Byrd to reconsider. Eizenstat says that Byrd wants to use the public financing issue as his one and only cloture effort of the session. Moore says Byrd is not only not willing to schedule the ACP bill this session, but opposes the bill on its merits. Jordan and Watson think it would not be wise to press the point with Byrd at this point.

2. Regarding Peterson's recommendation about releasing the reorganization plan within the next few weeks:

Eizenstat defers to Peterson. Jordan concurs, observing that releasing the full plan (many details are already public) may produce some criticism, but it would ease some pressure on Peterson. Harrison Wellford also feels that an early release might be helpful, according to Jordan.

3. Regarding Peterson's request for standby authority to negotiate a compromise:

Watson: "We believe that unless at least one House acts this year, the consumer bill is dead. Esther's plan is very good, and she needs authority to work on a compromise in the House." Eizenstat and Jordan concur with the standby authority to compromise, but observe that not much more can be compromised without risking losing present support. Stu adds that Peterson should work with Frank Moore to assure that any compromise vehicle has sponsorship weighty enough to assure House passage.

THE WHITE HOUSE

WASHINGTON

Date: July 7, 1977

MEMORANDUM

FOR ACTION:

The Vice President  
Stu Eizenstat  
Ham Jordan - *attached*  
Frank Moore - *action*  
Jack Watson - *action*

FOR INFORMATION:

Midge Costanza  
Bob Lipshutz

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Peterson's memo dated July 6, 1977 re Agency for  
for Consumer Protection Bill.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Friday

DATE: July 8, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

*Please note other comments below:*

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



THE WHITE HOUSE

WASHINGTON

July 6, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ESTHER PETERSON

SUBJECT:

Agency for Consumer Protection Bill

With eight legislative weeks left this year, we must reassess our position with respect to the ACP legislation and commit ourselves to a game plan for the coming weeks. The absence of a game plan will result in our passively concurring in a year-long deferral of the bill which I believe would effectively end its chances for passage.

Recap of Our Current Position

Our present posture shows that we have approximately 170 votes in the House; a certain victory would require us to win approximately 50 of the 80 undecided votes. Tip O'Neill is willing to schedule floor action when we can demonstrate sufficient support, the calendar permitting. However, the calendar is full until after the August recess.

In the Senate, we have nearly 60 firm votes for cloture, with Senators Byrd and Ribicoff remaining firm in their position to wait until the House has acted on the bill.

The grass roots effort is beginning to show positive results. The Nader nickels campaign is proceeding in 78 swing districts. The "coalition" office launched after your June 1 public meeting is gathering additional organizational and business support.

Plan of Action: Prior to the August Recess (Present--August 6)

On the basis of the preceding analysis, I propose that we use the next three weeks for a 3-pronged strategy, as follows:

First, we cannot abandon the slim possibility that Byrd can be persuaded to act within this period in the Senate. This would undoubtedly require your personal intervention. In approaching Byrd, the following points should be made:

(a) we have nearly 60 firm votes for cloture (with Cranston's help, we will re-verify the count prior to any discussion you have with Byrd);



(b) It is in the interest of both the leadership and the White House to wage a successful cloture fight as soon as possible, given the other crucial bills which Allen intends to oppose by filibuster;

(c) the fight will not take 2-3 weeks as Byrd predicts, given the favorable count; last year it took five days, and the double track is available.

(d) the Senate calendar still has some flexibility, the House calendar does not;

(e) the consumer agency fight will never be easier in the Senate where business has not yet focused its lobbying effort;

(f) a weak House-passed bill will pull the Senate version down to a level which will make a successful Conference exceedingly difficult;

(g) an early Senate fight will be given impetus by the grass roots campaign which will peak within this period and by the Administration's announcement of the reorganization plan (see below).

It would be my intention to visit Connecticut very soon to generate interest in Senate action in Ribicoff's home territory, as his recalcitrance is either responsible for, or giving support to, Byrd's resistance.

Second, we will continue to contact House members, solidifying support where possible. Plans will be set for me and my staff to use the August recess for speaking in swing districts. The grass roots organizations will similarly devote substantial time to setting up recess meetings between constituents and swing members in their home districts.

Third, we will bombard the House with initiatives, including mailings on selected problem areas, e.g., judicial review, small business. The most prominent initiative will be an early release of the proposed reorganization plan. While early release may stir some additional attack on the bill, we are increasingly subject to criticism for withholding the plan since your June 1 announcement of the preliminary 13-office list. I propose that the plan be released at the Cabinet meeting of July 18. Following the Cabinet meeting, Bert Lance and I (preferably with Congressman Brooks and Senator Ribicoff) can present the plan to the press.

#### Plan of Action: Following the August Recess

We would aim for House action around Labor Day, whether the Senate has acted or not. By then, the fruits of the grass roots activity, coupled with an all-out August recess blitz in the field should put us in as favorable a position as we are ever likely to attain in the House. Should



adjustments in the bill be necessary to achieve a successful vote, we can address the question of compromise at that time. While I do not want to weaken the legislation and do not propose to do so, I am asking you for standby authority to negotiate a compromise at the time of floor action should this course become inevitable.

Instruction

1. Are you willing to urge Byrd to schedule the consumer bill prior to the August 6 recess?

Yes \_\_\_\_\_

No \_\_\_\_\_

Discuss \_\_\_\_\_

2. Do you concur in the recommendation that the reorganization plan be released within the next few weeks?

Yes \_\_\_\_\_

No \_\_\_\_\_

Discuss \_\_\_\_\_

3. Will you grant standby authority to negotiate a compromise should that strategy become necessary as floor action proceeds?

Yes \_\_\_\_\_

No \_\_\_\_\_

Discuss \_\_\_\_\_

Date: July 7, 1977

MEMORANDUM

FOR ACTION:

The Vice President  
Stu Eizenstat  
Ham Jordan  
Frank Moore  
Jack Watson

FOR INFORMATION:

Midge Costanza  
Bob Lipshutz

HL  
SL

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Peterson's memo dated July 6, 1977 re Agency for  
for Consumer Protection Bill.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Friday

DATE: July 8, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



Date: July 7, 1977

MEMORANDUM

## FOR ACTION:

The Vice President  
Stu Eizenstat  
~~Ham Jordan~~ - Joe Aragon  
Frank Moore  
Jack Watson

## FOR INFORMATION:

Midge Costanza  
Bob Lipshutz

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Peterson's memo dated July 6, 1977 re Agency for  
for Consumer Protection Bill.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Friday

DATE: July 8, 1977

## ACTION REQUESTED:

☒ Your comments

Other: .

## STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone. 7052)

THE WHITE HOUSE

WASHINGTON

July 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ*  
JOE ARAGON *JA*

SUBJECT: PETERSON MEMO RE AGENCY FOR CONSUMER  
PROTECTION BILL

---

RECOMMENDATIONS

- (1) The Consumer Protection Agency Bill is of great importance to this administration, but pressing a new appeal with Senator Byrd may not be the best way to proceed.
- (2) The reorganization plan should be released early.
- (3) Standby authority should be granted.

DISCUSSION

- (1) The fate of the Consumer Protection Agency Bill is of paramount importance to this administration. Esther is rightly concerned about the legislative strategy. It is possible however, that an additional appeal to the Majority Leader at this time, might in fact, be counterproductive.

In light of the fact that Senator Byrd has already declined to press for a Senate vote prior to the House vote, has taken a public position to this effect, is faced with the prospect of a filibuster and protracted Senate debate on the ACP which would, no doubt, further complicate an already tight legislative agenda; it is probably unlikely that he would be more receptive now to a reversal of his public position than he has been previously.

In view of these considerations it is probably wise not to press the point at this time.



- (2) Many of the details of the reorganization plan have already been made public. Releasing the full plan may produce some criticism but Esther is correct that it could help ease some of the pressure on her. Harrison Wellford feels that an early release might be helpful also.
- (3) Standby authority may be needed to achieve a compromise. It should be granted. It is important to point out, however, that there is probably not much more that can be compromised on without running the risk of losing present support.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
SI LAZARUS

SUBJECT: Esther Peterson's July 6 Memo  
on Agency for Consumer Protection  
Bill

1. Regarding Esther's first suggestion about urging Senator Byrd to reconsider his opposition to scheduling the bill before the August 6 recess:

We agree with Esther that the prospects for relatively speedy Senate passage of the bill appear more promising than Senator Byrd seems to think. While there is no harm in urging him to reconsider his position, this is likely to be futile unless we have a strong Senate advocate such as Senator Cranston, and unless we can persuade Senator Ribicoff to increase his enthusiasm for leading a floor-fight. Senator Byrd apparently wants to use the public financing issue as his one -- and only -- cloture effort of the session.

2. Regarding Esther's suggestion about releasing the reorganization plan within the next few weeks:

The reorganization plan is designed to improve the chances for passage in the House. Fixing a date for release of that plan is a tactical matter on which we would defer to Esther's judgment.

3. Regarding Esther's third question, about standby authority to negotiate a compromise:

We believe that a compromise will be necessary to secure House passage, and that she should work with Frank to see that the compromise vehicle, whatever its provisions, has sponsorship weighty enough to assure House passage. We must be careful, however, to insure that by receding on several points, such as interrogatory authority for the agency, we will be able to secure additional votes! Otherwise the sharks, smelling blood, will still come in for the kill at the appropriate time.



Date: July 7, 1977

MEMORANDUM

## FOR ACTION:

The Vice President  
 Stu Eizenstat  
 Ham Jordan  
 Frank Moore  
Jack Watson

## FOR INFORMATION:

Midge Costanza  
 Bob Lipshutz

1977 JUL 7 AM 9 47

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Peterson's memo dated July 6, 1977 re Agency for  
 for Consumer Protection Bill.

YOUR RESPONSE MUST BE DELIVERED  
 TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Friday

DATE: July 8, 1977

## ACTION REQUESTED:

☒ Your comments  
 Other:

## STAFF RESPONSE:

☐ I concur. ☐ No comment.  
 Please note other comments below:

We believe that unless at least  
 one House acts this year, the  
 Consumer bill is dead. Esther's  
 plan is very good, and she needs  
 authority to work on a compromise  
 in the House. We suggest that you  
not call Byrd until it is clearer  
 when the House  
 will act. Watson/Frank

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.  
 If you have any questions or if you anticipate a delay in submitting the required  
 material, please telephone the Staff Secretary immediately. (Telephone. 7052)

THE WHITE HOUSE

WASHINGTON

July 8, 1977

RESPONSE TO MEMORANDUM FOR THE PRESIDENT

FROM ESTHER PETERSON

FROM: BOB THOMSON  
CONGRESSIONAL LIAISON (SENATE)

We have no objection to the course of action suggested by Mrs. Peterson. However, as we have indicated to Mrs. Peterson personally, we believe Senator Byrd's position is irrevocable.

He is not willing to schedule the consumer agency bill this year. He is concerned that a cloture battle would delay other legislation the Senator considers more important.

We also believe Senator Byrd is not inclined to support this bill on its merits. That may also be a factor in his refusal to schedule it this year.

Nevertheless, there is always a possibility that the Majority Leader could be convinced, provided you made a major personal appeal and were willing to expend significant political capital in such an effort.



THE WHITE HOUSE  
WASHINGTON

mtg E  
W Hendrie  
7/11

Use of LWR = CR BR

Expedition of licensing

Alleviate public concern

Siting

R & D thrust

Waste disposal-storage

Use of Bannwell

Export policy

Need to increase enrichment

Management of NRC

Electrostatic Copy Made  
for Preservation Purposes

11:30 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 11, 1977

MR. PRESIDENT:

BACKGROUND FOR HENDRIE MEETING  
AT 11:30 TODAY.

H.J.

**Electrostatic Copy Made  
for Preservation Purposes**



THE WHITE HOUSE

WASHINGTON

July 6, 1977

*Ham - Have  
Hendrie come in  
so I can discuss  
items from press's  
memo  
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

HAMILTON JORDAN *HJ.*

SUBJECT:

CHAIRMAN, NUCLEAR REGULATORY COMMISSION

Jim Schlesinger and I have met and discussed the Nuclear Regulatory Commission chairmanship. We agree that of all the commissioners involved, only Peter Bradford and Joseph Hendrie are suitable for your consideration. A comparison of the strengths and weaknesses we perceive between the two is attached.

The determining factor is the role you wish the NRC to play in the future. The Commission, from all reports, is badly in need of leadership and direction, and the new Chairman is your best opportunity to point it in the direction you wish it to follow.

*P.S. Jim feels strongly about this so you will probably want to talk with him about it. The choice - between Hendrie and Bradford - depends very much on what you want the NRC to do.*

*HJ*



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF SCIENCE AND TECHNOLOGY POLICY  
WASHINGTON, D.C. 20500

April 27, 1977

THE NUCLEAR REGULATORY COMMISSION

The President has called for an increase in the country's use of light water reactors to produce electric power, for a streamlining of the licensing procedures for reactors, for strengthened regulation and inspection of reactor design and siting, and for movement in resolving nuclear waste problems. The implementation of each of these tasks depends, in large part, on the Nuclear Regulatory Commission.

Two Commissioner positions are now vacant and that of the Chairman becomes vacant on June 30, 1977. The President, therefore, has the opportunity to make two appointments immediately and one over the summer and a new Chairman must be designated. These three appointments (of which two can be Democrats and one must be a Republican or Independent) should be considered together and provide an opportunity for the President to make his own imprint on the Commission. One additional position becomes vacant every June 30. Within four years, therefore, all five Commissioner positions will have become vacant.

Nuclear power and related issues are highly controversial and the community of knowledgeable people is quite polarized. Therefore, the primary issue in the choice of Commissioners is whether the Commission should be a balance of individuals with well-identified and contending views or whether it should be composed of individuals who themselves have balanced views on the nuclear issues. The appointments to the NRC will be interpreted as a signal of the President's views concerning nuclear power.

The NRC is currently suffering from a serious lack of public confidence, internal management problems and a state of uncertainty concerning how to balance environmental protection and public health and safety, on the one hand, with the desire to assure the timely growth and economic viability of nuclear power on the other. Among the most important tasks of the new Commissioners will be to regain public confidence, improve internal management and deal with the fundamental energy production/public and environmental protection trade-offs.



## I. Description of the Commission

The Nuclear Regulatory Commission is an independent agency in the Executive Branch. Under the Energy Reorganization Act of 1974 it was vested with licensing and related regulatory functions of the Atomic Energy Commission in an effort to separate these from the nuclear R&D and promotional functions which were vested in ERDA. The primary purpose of the Commission is to license, regulate and inspect a wide variety of nuclear facilities to protect the public health, safety and environment. Specifically, its mandate includes:

- . Issuing construction and operating licenses for nuclear power plants, waste disposal facilities, and bulk handling fuel cycle facilities.
- . Licensing the possession, use, transportation and disposal of nuclear materials.
- . Inspection of NRC-licensed activities and facilities.
- . Promulgation and implementation of rules and regulations governing licensed nuclear activities.
- . Issuing export licenses of nuclear facilities and materials.

Legal authority is vested in five Commissioners who are appointed by the President for staggered five-year terms subject to Senate confirmation. The Chairman of the Commission is designated by the President from among the five Commissioners and serves at the pleasure of the President. No more than three Commissioners can be appointed from any one party.

## II. Issues Facing the NRC

### 1. Building Public Confidence

Perhaps the most important task for the NRC is to build public confidence in its own activities and through its actions to enhance public confidence in the nation's overall nuclear programs of industry and government. Currently the NRC is variously criticized as being too pro-nuclear and tied to previous AEC practices and approaches and too anti-nuclear by imposing unreasonable impediments in the way of the orderly development of the industry. In order to operate effectively, neither charge about the Commission should be true or be perceived to be true by the general public. As part of its confidence building activities, greater coordination with state and local authorities is required. In addition, further opening the Commission's decision and licensing processes to public participation and review would enhance the Commission's credibility.



## 2. Licensing Delay

The average time from a utility's application to the NRC for a construction license until the operation of a nuclear power plant is now more than 10 years, considerably longer than in other countries. This lengthening time has contributed in an important way to the rising cost of nuclear-generated electricity and to the disinclination of some utilities to adopt nuclear technology for their new facilities. While construction delays have been the primary cause of this problem, the licensing process itself has also contributed. Finding ways to reduce the licensing time while maintaining or increasing the quality, credibility and access of interested and affected parties to the licensing procedure is a critical task for the NRC. The President has mandated a thorough review of current licensing procedures. In conducting this review the NRC should work with reactor vendors, customers and interested public interest groups to create appropriate reforms.

## 3. Extent of Regulation and Inspection

While the President has proposed greater on-site inspection by the NRC, considerable uncertainty currently exists concerning what aspects of the nuclear industry, and at what points in the reactor design and construction process, the government should regulate. In particular, there is considerable controversy concerning the frequency with which the NRC should inspect operating plants and plants under construction to assure that new or mandated health, safety and environmental standards are being met. When standards change and operating plants cease to conform, there arises the question of whether or to what extent retrofitting is required. Similarly the extent to which the NRC should inspect the quality control procedures of vendors or should monitor the design activities of architects/engineers is currently being questioned. In all these issues a balance is needed between assuring public health and safety, not imposing undue delays on industry, maintaining fair and predictable regulatory procedures, and assuring public confidence in the regulatory process. In deciding the appropriate extent of NRC regulation, greater attention to assessing and weighing the costs and values of both regulations and regulatory procedures is needed.

## 4. Standard Setting

Allegations have been made that the NRC's own review of AEC standards has been inadequate and that the extent to which the NRC is staffed by former AEC employees



precludes or makes very difficult such reviews. If this charge is true, the situation should be rectified and in either case the NRC must change its public image in this regard. One difficulty in setting standards is the lack of agreement within the Commission and among the interested public concerning what standards would be acceptable.

#### 5. Export Procedures

The NRC is currently criticized by the domestic industry and by foreign governments for allegedly arbitrary and capricious regulations and procedures with respect to nuclear exports. If the American nuclear industry is to remain competitive in international markets and if, as part of U.S. nonproliferation policy, other states are to be encouraged to rely on the United States as a supplier of enrichment services, the image of the Commission and its procedures must change. While tight control is needed in the interest of nonproliferation policy, applications for export must be handled in a timely and, above all, consistent and predictable manner.

#### 6. Improving R&D

Current R&D programs have been characterized by critics as oriented toward proving that current reactor designs are safe rather than assessing the degree of risk and finding ways to reduce it. Creative thought is needed in designing and executing research and development programs that will test current reactor safety techniques and procedures, and create new technical options for protecting the environment and the public health and safety and for enhancing public confidence in nuclear facilities. NRC will have to develop a new relationship with the Department of Energy, industry, environmental groups and the public in designing and executing an appropriate R&D program. Better ways should also be found to utilize new information directly in the regulatory and licensing process.

#### 7. Specific Policy Issues

Over the next few years the NRC will have to address and resolve a number of important technically complex policy issues. These include:

- a. determining an acceptable means for long-term storage of spent fuel;
- b. resolving the current debate on domestic safeguards and physical security;



- c. deciding how to handle still unresolved questions about plutonium reprocessing and use;
- d. generating and implementing procedures for evaluating reactor safety; and
- e. generating and using criteria for nuclear facilities siting.

## 8. Management

NRC has some particularly difficult management problems, which have been exacerbated by the fact that it has never been made clear who in the agency is in charge of day-to-day management. This situation is partly rooted in the statute, but the Commission, especially the Chairman, could rectify the situation. The statute which created the agency in 1974 provides for three strong line officers, who are to have direct access to the Commission, and for an Executive Director for Operations whose duties are not specified. The Chairman has strong executive authority, but neither of the two chairmen to date have exercised this or delegated it to the EDO. The President could help this situation by expressing his strong expectation that the management of the Commission should be one of the appointees' highest priorities. The President could go further by selecting a Chairman with executive management experience.

Another management problem is related to charges that the Commission puts pressure on employees to downplay safety problems. This has led to some resignations and some publicly reported grumbling which have been quite damaging to public confidence in the Commission.

## III. The Choice of NRC's Style of Operating

A fundamental choice is required concerning the preferred style of operations for the NRC. By balancing individuals with strong and identifiable positions on nuclear issues against each other, the style could be encouraged to be one of constant debate and acrimony which would also tend to sustain the current public nuclear debate. The advantage of this approach would be assurance that all views were heard and taken into account. The disadvantages would be continuing or increased delays in the Commission's work and, if sharp polarization were to emerge (as seems likely), making more difficult the emergence of national consensus on nuclear issues and the building of broad public trust in the NRC.

The alternative to an NRC, that is a balance of contending views, is one composed of individuals who do themselves take a rather balanced view of nuclear issues. While some critics



might then charge that the Commission is not considering all important views, a careful choice of individuals could prevent the emergence of a single dominant perspective. The avoidance of all controversy within the NRC would be unwise.

If the right sort of individuals are chosen, ideological polarization, with its resulting delays and acrimonious debate, might be avoided. The residual controversy could then be constructive rather than debilitating.

#### IV. Desirable Qualities for NRC Commissioners

1. Sensitivity to health, safety and environmental risks and concerns.
2. Sensitivity to the needs of the vendor and utility industries.
3. Sensitivity to the legal and institutional complexities involved in the process of building nuclear facilities and in regulating the industry.
4. Sensitivity to international aspects of the nuclear issues, including nonproliferation concerns, competition in the international nuclear market, and concerns and needs of foreign governments and utilities for security of supply and reliable procedures.
5. Top scientific or other professional qualifications in a relevant field. Professional training as a nuclear scientist or engineer is not essential, but interest in the technical aspects of nuclear power and an ability to comprehend technical issues is essential.
6. Demonstrated ability to manage effectively a fairly large and diverse technically-oriented organization. This is particularly critical for the Chairman.
7. A willingness to review and challenge existing procedures and policies and to implement necessary reform.
8. Willingness to consider many points of view before arriving at final decisions.
9. Demonstrated ability to operate effectively in an environment fraught with controversy.
10. Lack of strong ties to or past association with the nuclear industry, former government nuclear programs or non-governmental lobbying or public interest groups that have been active in the nuclear debates. Alternatively an attempt could be made to balance identifiable perspectives on important issues, but this would risk polarizing and crippling the Commission.

No individual can possess all these qualities. Possession of most of them should be a prerequisite for the job. With the two immediate and one near-term appointments, all qualities should be well covered.



JOSEPH MALLAM HENDRIE

HENDRIE, JOSEPH MALLAM, physicist, nuclear engr.; b. Janesville, Wis., Mar. 18, 1925; s. Joseph Munier and Margaret Prudence (Hocking) H.; B.S., Case Inst. Tech., 1950; Ph.D., Columbia, 1957; m. Elaine Kostell, July 9, 1949; children - Susan Debra, Barbara Ellen. Asst. physicist Brookhaven Nat. Lab., Upton, N.Y., 1955-57, asso. physicist, 1957-60, physicist, 1960-71, sr. physicist, 1971--, chmn. steering com., project chief engr. high flux beam reactor design and construn., 1958 - 65, acting head exptl. reactor physics div., 1965-66, project mgr. pulsed fast reactor project, 1967-70, asso. head engring. div., dept. applied sci., 1967-71, head 1971-72; dep. dir. licensing for tech. rev. U.S. AEC, 1972--; lectr. nuclear power plant safety Mass. Inst. Tech., summers 1970 --. Cons. radiation safety com. Columbia, 1964-72; mem. adv. com. reactor safeguards AEC, 1966-72, chmn., 1970. Served with AUS, 1943-45. Recipient E.O. Lawrence award, 1970. Registered profl. engr., N.Y. Fellow Am. Nuclear Soc.; mem. Am. Phys. Soc. Profl. Engrs., Sigma Xi, Tau Beta Pi. Co-inventor high flux beam reactor; research, publns. physics nuclear reactors, engring. design reactors, chem. physics nitrogen dissociation process, structure oxygen molecule. Home: ~~19125 N Pike Creek Pl Gaithersburg MD 20760~~ Office: ~~US AEC Washington DC 20545.~~

JUNE 29, 1977

Office of the White House Press Secretary  
-----

## THE WHITE HOUSE

The President today announced that he will nominate Joseph M. Hendrie, of Bellport, New York, to be a member of the Nuclear Regulatory Commission. Hendrie is chairman of the Department of Applied Science at Brookhaven National Laboratory in Upton, New York.

Hendrie was born March 18, 1925, in Janesville, Wisconsin. He received a B.S. in physics from Case Institute of Technology in 1950, and a Ph.D. in physics from Columbia University in 1955. He served in the U.S. Army from 1943 to 1946.

Hendrie was a research assistant at Columbia University from 1950 to 1955. He worked at Brookhaven Laboratory from 1955 to 1972, beginning as an assistant physicist in the Reactor Physics Division and ending as head of the Engineering Division in the Department of Applied Science.

From 1972 to 1974 Hendrie was deputy director for technical review at the Directorate of Licensing of the U.S. Atomic Energy Commission. Since 1975 he has been chairman of the Department of Applied Science at Brookhaven Laboratory.

Hendrie is a member of the board of directors of the American Nuclear Society, and serves on the Risk-Impact Panel, Committee on Nuclear and Alternative Energy Systems, of the National Research Council. Since 1974 he has been the U.S. representative on the International Atomic Energy Agency's Senior Advisory Group on Reactor Safety Codes and Guides. He was a member of the Advisory Committee on Reactor Safeguards of the U.S. Atomic Energy Commission from 1966 to 1972. He has had numerous articles published in professional journals.

# # #



